

Please note that there are certain modifications to this Exhibit 1.1.217 as set forth in the “Modifications to Exhibit 1.1.217, dated October 30, 2007” and the “Modifications to Exhibit 1.1.217, dated November 5, 2007.”

Exhibit 1.1.217

FEDERAL-MOGUL
FORM OF
ASBESTOS PERSONAL INJURY TRUST AGREEMENT

FEDERAL-MOGUL

ASBESTOS PERSONAL INJURY SETTLEMENT TRUST AGREEMENT

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FEDERAL-MOGUL
ASBESTOS TRUST AGREEMENT

This Federal-Mogul U.S. Asbestos Personal Injury Trust Agreement, as may be amended pursuant to the Pneumo Abex Addendum to the U.S. Asbestos Personal Injury Trust Agreement attached hereto as Exhibit A, (the “U.S. Asbestos Trust Agreement”), dated the date set forth on the signature page hereof and effective as of the Effective Date, is entered into by Federal-Mogul Corporation (“Federal-Mogul”), the Debtor and debtor-in-possession in jointly-administered cases docketed under Case No. 01-10578 RTL in the United States Bankruptcy Court for the District of Delaware, on behalf of itself and the other Protected Parties; the Future Claimants Representative; the Official Committee of Asbestos Claimants (the “Committee”); the Trustees (the “Trustees”), [Wilmington Trust Company] (the “Delaware Trustee”) and the members of the Trust Advisory Committee (the “TAC”), who are further identified on the signature pages hereof and appointed at Confirmation pursuant to the Federal-Mogul Fourth Amended Joint Plan of Reorganization, as such Plan may be amended, modified or supplemented from time to time (the “Plan”). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Plan, and such definitions are incorporated herein by reference. All capitalized terms not defined herein or defined in the Plan, but defined in the Bankruptcy Code or Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Chapter 11 case, Federal-Mogul and the other Protected Parties were named as defendants in actions involving Asbestos Personal Injury Claims; and

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

WHEREAS, the CVAs have been approved by an English Court; and

WHEREAS, the Plan provides, *inter alia*, for the creation of the Federal-Mogul U.S. Asbestos Personal Injury Trust (the “U.S. Asbestos Trust”); and

WHEREAS, pursuant to the Plan, Federal-Mogul will make certain contributions to the U.S. Asbestos Trust; and

WHEREAS, pursuant to the Plan, the U.S. Asbestos Trust will use the Trust Assets to pay all Asbestos Personal Injury Claims, caused by exposure to asbestos-containing products for which Federal-Mogul and/or its wholly owned direct or indirect subsidiaries Turner & Newell (“T&N”) and its direct or indirect subsidiaries, Gasket Holdings Inc. (“Flexitallic”) and Ferodo America Inc. (“Ferodo”) (collectively, the “T&N Entities”); Federal-Mogul Products Inc. (“FMP”); Felt Products Mfg. Co. (“Fel-Pro”); and Federal-Mogul’s former division Vellumoid (“Vellumoid”); and their successors, and assigns (each a “Federal-Mogul Entity,” and collectively, the “Federal-Mogul Entities”) have legal responsibility under applicable tort law, as provided in and by the Plan and the U.S. Asbestos Trust Agreement; and

WHEREAS, it is the intent of the Debtors, the Trustees, the TAC, and the Future Claimants’ Representative that the U.S. Asbestos Trust be administered, maintained, and operated at all times through mechanisms that provide reasonable assurance that the U.S. Asbestos Trust will satisfy Asbestos Personal Injury Claims pursuant to the Asbestos Personal Injury Trust Distribution Procedures (the “U.S. TDP”) that are attached to the Plan in a

substantially similar manner, and in strict compliance with the terms of this U.S. Asbestos Trust Agreement; and

WHEREAS, pursuant to the Plan, the U.S. Asbestos Trust shall establish four separate Subfunds (the “Subfunds”), which shall include the T&N Subfund, which shall process, liquidate and make payments pursuant to the U.S. TDP to holders of Asbestos Personal Injury Claims for which the T&N Entities have legal liability as provided in the Plan, the FMP Subfund, the Fel-Pro Subfund and the Vellumoid Subfund, which shall pay claims from proceeds of insurance available to the corresponding Federal-Mogul Entity; and

WHEREAS, pursuant to the Plan, the U.S. Asbestos Trust is intended to qualify as a “qualified settlement fund” within the meaning of Section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code (the “IRC”); and

WHEREAS, the Bankruptcy Court has determined that the U.S. Asbestos Trust and the Plan satisfy all the prerequisites for the issuance of an injunction pursuant to Section 524(g) of the Bankruptcy Code, and such injunction has been entered in connection with the Confirmation Order.

NOW, THEREFORE, it is hereby agreed as follows:

SECTION 1

AGREEMENT OF TRUST

1.1 Creation and Name. Federal-Mogul hereby creates a trust known as the “Federal-Mogul Asbestos Personal Injury Trust,” which is the Trust provided for and referred to

in the Plan. The Trustees of the U.S. Asbestos Trust may transact the business and affairs of the U.S. Asbestos Trust in the name of the U.S. Asbestos Trust. It is the intention of the parties hereto that the trust created hereby constitute a statutory trust under Chapter 38 of title 12 of the Delaware Code, 12 Del. C. § 3801 *et seq.* (the “Act”) and that this document, together with the bylaws described in Section 2.2, constitute the governing instruments of the U.S. Asbestos Trust. The Trustees and the Delaware Trustee are hereby authorized and directed to execute and file a Certificate of Trust with the Delaware Secretary of State in the form attached hereto as Exhibit A.

1.2 Purpose. The purpose of the U.S. Asbestos Trust is to assume the liabilities of the Debtors and the other Protected Parties, for and with respect to all Asbestos Personal Injury Claims, and to use the assets contributed to the U.S. Asbestos Trust pursuant to the Plan and any other assets that may be contributed to or acquired by the U.S. Asbestos Trust from time to time and the proceeds and income from such assets to pay the holders of all Asbestos Personal Injury Claims in accordance with this U.S. Asbestos Trust Agreement and the U.S. TDP in such a way that such holders of Asbestos Personal Injury Claims are treated fairly, equitably and reasonably in light of the limited assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B) of the Bankruptcy Code.

1.3 Transfer of Assets. Pursuant to the Plan, the Trust Assets will be transferred and assigned to the U.S. Asbestos Trust to settle and discharge all Asbestos Personal Injury Claims and to permit the U.S. Asbestos Trust to satisfy the obligations of the Trust under Section 8.22 of the Plan. Pursuant to the Plan, Federal-Mogul and the other Protected Parties, from and after the

Effective Date, and others may also transfer and assign additional assets to the U.S. Asbestos Trust from time to time to be added to the Trust Assets described above. Except as otherwise provided in the Plan or the Plan Documents, any and all assets transferred to the U.S. Asbestos Trust shall be free and clear of any liens or other claims by any Protected Party, any creditor, or other entity. Federal-Mogul, Reorganized Federal-Mogul, and any other transferors shall also execute and deliver such documents to the U.S. Asbestos Trust as the Trustees reasonably request to transfer and assign the Trust Assets to the U.S. Asbestos Trust.

1.4 Acceptance of Assets and Assumption of Liabilities

(a) In furtherance of the purposes of the U.S. Asbestos Trust, the Trustees, on behalf of the U.S. Asbestos Trust, hereby expressly accept the transfer and assignment to the U.S. Asbestos Trust of the Trust Assets in the time and manner contemplated in the Plan.

(b) In furtherance of the purposes of the U.S. Asbestos Trust, the Trustees, on behalf of the U.S. Asbestos Trust, expressly assume all liability for all Asbestos Personal Injury Claims. Subject to and as otherwise provided in the Plan and exhibits thereto, the U.S. Asbestos Trust also shall have all defenses available to any Protected Party and all Trust Causes of Action. Regardless of the foregoing, however, a claimant must meet otherwise applicable federal, state and foreign statutes of limitations and repose, except as otherwise provided in Section 5.1(a)(2) of the U.S. TDP.

(c) No provision herein or in the U.S. TDP shall be construed to mandate distributions on any claims or other actions that would contravene the Trust's compliance with the requirements of a qualified settlement fund within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the IRC.

(d) The U.S. Asbestos Trust shall indemnify the Protected Parties to the extent set forth in the Plan.

(e) Nothing in this U.S. Asbestos Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Section 524(g) injunction issued in connection with the Plan or the U.S. Asbestos Trust's assumption of all liability for Asbestos Personal Injury Claims.

1.5 Certain Obligations to the Pneumo Parties. The U.S. Asbestos Trust expressly acknowledges (a) its obligations under the Plan with respect to the Plan B Settlement Amount in the event that the Plan B Date occurs after the Effective Date but prior to the Date of Finality and (b) its obligations under the Unwind Agreement dated as of the date hereof among the U.S. Asbestos Trust and the Pneumo Parties to preserve and return, as provided therein, the assets funded by the Pneumo Parties upon the occurrence of the Plan A Date in the event that the Plan B Date occurs after the Plan A Date but prior to the Date of Finality. The U.S. Asbestos Trust further agrees to cause the funds held pursuant to the Cooper/Pneumo Escrow Agreement to be released from the Cooper/Pneumo Escrow Account and paid over to Cooper LLC and PCT, as applicable, in satisfaction of the obligation to pay the Plan B Settlement Amount pursuant to the Plan and the Plan B Settlement Agreement if the Plan B Date occurs prior to the Date of Finality.

SECTION 2

POWERS AND TRUST ADMINISTRATION

2.1 Powers.

(a) The Trustees are and shall act as the fiduciaries to the U.S. Asbestos Trust in accordance with the provisions of this U.S. Asbestos Trust Agreement and the Plan and shall have the power, on behalf of the Trust, to exercise all rights and fulfill all obligations of the Trust under the Plan and the Plan Documents. The Trustees shall, at all times, administer the U.S. Asbestos Trust and the Trust Assets in accordance with the purposes set forth in Section 1.2 above. Subject to the limitations set forth in this U.S. Asbestos Trust Agreement, the Trustees shall have the power to take any and all actions that, in the judgment of the Trustees, are necessary or proper to fulfill the purposes of the U.S. Asbestos Trust, including, without limitation, each power expressly granted in this Section 2.1, any power reasonably incidental thereto, and any trust power now or hereafter permitted under the laws of the State of Delaware.

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

(c) In addition to the powers set forth in Section 7.3 below, and without limiting the generality of Section 2.1(a) above, and except as limited below, the Trustees shall have the power to:

(i) receive and hold the Trust Assets, vote the Reorganized Federal-Mogul common stock, and exercise all rights with respect to, and sell, any securities issued by

Reorganized Federal-Mogul that are included in the Trust Assets, subject to any restrictions set forth in the Restated Certificate of Reorganized Federal-Mogul;

(ii) allocate all Trust Assets, including insurance proceeds, received as of the Effective Date and thereafter, to the various Trust Subfunds that are liable for the Asbestos Personal Injury Claims payable from those assets in accordance with the Plan and U.S. TDP;

(iii) invest the monies held from time to time by the U.S. Asbestos Trust;

(iv) sell, transfer, or exchange any or all of the Trust Assets at such prices and upon such terms as the Trustees may consider proper, consistent with the other terms of this U.S. Asbestos Trust Agreement;

(v) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the U.S. Asbestos Trust to operate;

(vi) subject to provisions of the Plan, pay liabilities and expenses of the U.S. Asbestos Trust, including, but not limited to, Trust Expenses;

(vii) establish the T&N Subfund, the FMP Subfund, the Fel-Pro Subfund and the Vellumoid Subfund and such other funds, reserves and accounts with the Trust Assets, as deemed by the Trustees to be useful in carrying out the purposes of the U.S. Asbestos Trust;

(viii) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitative, or other proceeding;

(ix) establish, supervise and administer the U.S. Asbestos Trust in accordance with the U.S. TDP and the terms thereof;

(x) appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing and forecasting, and other consultants and agents as the business of the U.S. Asbestos Trust requires, and delegate to such persons such powers and authorities as the fiduciary duties of the Trustees permit and as the Trustees, in their discretion, deem advisable or necessary in order to carry out the terms of the U.S. Asbestos Trust;

(xi) pay employees, legal, financial, accounting, investment, auditing, and forecasting, and other consultants, advisors, and agents, including those engaged by the U.S. Asbestos Trust in connection with its alternative dispute resolution activities, reasonable compensation;

(xii) compensate the Trustees, the TAC members, and the Future Claimants Representative as provided below, and their employees, legal, financial, accounting, investment and other advisors, consultants, independent contractors, and agents, and reimburse the Trustees, the TAC members and the Future Claimants Representative all reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder;

(xiii) execute and deliver such instruments as the Trustees consider proper in administering the U.S. Asbestos Trust;

(xiv) enter into such other arrangements with third parties as are deemed by the Trustees to be useful in carrying out the purposes of the U.S. Asbestos Trust, provided such arrangements do not conflict with any other provision of this U.S. Asbestos Trust Agreement;

(xv) in accordance with Section 4.6 below, defend, indemnify and hold harmless (and purchase insurance indemnifying) (A) the Trustees and (B) the TAC, the Future Claimants Representative, the officers and employees of the U.S. Asbestos Trust, and any agents, advisors and consultants of the U.S. Asbestos Trust, the TAC or the Future Claimants Representative (the “Additional Indemnitees”), to the fullest extent that a corporation or trust organized under the law of the U.S. Asbestos Trust’s situs is from time to time entitled to indemnify and/or insure its directors, trustees, officers, employees, agents, advisors and representatives;

(xvi) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Trust Assets to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Section 4.4 below;

(xvii) consult with Reorganized Federal-Mogul, the TAC and the Future Claimants Representative at such times and with respect to such issues relating to the conduct of the U.S. Asbestos Trust as the Trustees consider desirable; and

(xviii) make, pursue (by litigation or otherwise), collect, compromise or settle, in the name of the U.S. Asbestos Trust or in the name of the appropriate Reorganized

Debtor any claim, right, action, or cause of action included in the Trust Assets including, but not limited to, insurance recoveries, before any court of competent jurisdiction; provided that settlement of actions before the Bankruptcy Court require the approval of the Bankruptcy Court after notice to Reorganized Federal-Mogul as the case may be.

(d) The Trustees shall not have the power to cause the U.S. Asbestos Trust to guarantee any debt of other persons.

(e) The Trustees shall give the TAC and the Future Claimants Representative prompt notice of any act performed or taken pursuant to Sections 2.1(c)(i), (iv), or (xvi) above, and any act proposed to be performed or taken pursuant to Section 2.2(f) and 7.3 below.

(f) The Trustees shall have the power to seek or sue for insurance coverage proceeds in connection with and to the extent of the rights transferred to the U.S. Asbestos Trust pursuant to the Plan.

(g) Subject to any restrictions set forth in the Plan, the Trustees, in consultation with the TAC and Future Claimants Representative, shall have the power to allocate the administrative expenses of the U.S. Asbestos Trust among the various Subfunds on a reasonable basis that takes into account the relative assets and liabilities of each such Subfund. The Trustees may also, subject to the provisions of the Plan, advance funds from one Subfund to another Subfund to pay the latter Subfund's administrative expenses, including the costs of insurance litigation; provided, however, that the Subfund that received the advance shall reimburse the Subfund that made the advance as soon as the monies are available for such reimbursement.

2.2 General Administration.

(a) The Trustees shall adopt and act in accordance with the U.S. Asbestos Trust Bylaws. To the extent not inconsistent with the terms of this U.S. Asbestos Trust Agreement, the U.S. Asbestos Trust Bylaws shall govern the affairs of the U.S. Asbestos Trust. In the event of an inconsistency between the U.S. Asbestos Trust Bylaws and this U.S. Asbestos Trust Agreement, the U.S. Asbestos Trust Agreement shall govern.

(b) The Trustees shall (i) timely file such income tax and other returns and statements and shall timely pay all taxes required to be paid, (ii) comply with all withholding obligations, as required under the applicable provisions of the IRC and of any state law and the regulations promulgated thereunder, (iii) meet without limitation all requirements necessary to qualify and maintain qualification of the U.S. Asbestos Trust as a qualified settlement fund within the meaning of Section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under Section 468B of the IRC, and (iv) take no action that could cause the U.S. Asbestos Trust to fail to qualify as a qualified settlement fund within the meaning of Section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under Section 468B of the IRC.

(c) The Trustees shall timely account to the Bankruptcy Court as follows:

(i) The Trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred and twenty (120) days following the end of each fiscal year, an annual report containing *inter alia* financial statements of the U.S. Asbestos Trust (including, without limitation, a balance sheet of the U.S. Asbestos Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and

accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustees shall provide a copy of such report to the TAC, the Future Claimants Representative, and Reorganized Federal-Mogul when such reports are filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in Article 2.2(c)(i) above, the Trustees shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The Trustees shall provide a copy of such report to the TAC, the Future Claimants Representatives, and Reorganized Federal-Mogul when such report is filed.

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

(d) The Trustees shall cause to be prepared as soon as practicable prior to the commencement of each fiscal year a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The budget and cash flow projections shall include determining the Maximum Annual Payment pursuant to Section 2.4 of the U.S. TDP, and the Claims Payment Ratio pursuant to Section 2.5 of the U.S. TDP. The Trustees shall provide a copy of the budget and cash flow projections to the TAC and the Future Claimants Representative.

(e) The Trustees shall consult with the TAC and the Future Claimants Representative (i) on the general implementation and administration of the U.S. Asbestos Trust; (ii) on the general implementation and administration of the U.S. TDP; and (iii) on such other matters as may be required under this U.S. Asbestos Trust Agreement and the U.S. TDP.

(f) The Trustees shall be required to obtain the consent of the TAC and the Future Claimants Representative pursuant to the Consent Process set forth in Section 5.7(b) and 6.6(b) below, in addition to any other instances elsewhere enumerated, including as set forth in Section 7.3 below, in order:

(i) to change the Claims Payment Ratio described in Section 2.5 of the U.S. TDP in the event that the requirements for such a change as set forth in said provision have been met;

(ii) to change the Disease Levels, Medical/Exposure Criteria set forth in Section 5.3(a)(1)(C) of the U.S. TDP, and/or the Scheduled, Average and/or Maximum Values set forth in Sections 5.3(a)(3) of the U.S. TDP;

(iii) to change the Payment Percentage described in Section 4.2 of the U.S. TDP;

(iv) to establish and/or to change the Proof of Claim Forms and other claims materials to be provided holders of Asbestos Personal Injury Claims under Section 6.1 of the U.S. TDP;

(v) to require that claimants provide additional kinds of medical or exposure evidence pursuant to Section 5.7 of the U.S. TDP;

(vi) to change the form of release to be provided pursuant to Section 7.8 of the U.S. TDP, provided that the release must be consistent with the requirements of the Plan;

(vii) to establish a separate valuation matrix for any Foreign Claims at such time as the U.S. Asbestos Trust has sufficient historical settlement, verdict and other valuation data for claims from a particular foreign jurisdiction pursuant to Section 5.3(a)(2)(B) of the U.S. TDP;

(viii) to 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 pursuant to Section 5.8 of the U.S. TDP;

(ix) to terminate the U.S. Asbestos Trust pursuant to Section 7.2 below;

(x) to settle the liability of any insurer under any insurance policy or legal action related thereto;

(xi) to change the compensation of the members of the TAC, the Future Claimants Representative or Trustees, other than to reflect cost-of-living increases or changes approved by the Bankruptcy Court as otherwise provided herein;

(xii) to take structural or other actions to minimize any tax on the Trust Assets;

(xiii) to amend the U.S. Asbestos Trust Bylaws in accordance with the terms thereof;

(xiv) to amend any provision of the U.S. Asbestos Trust Agreement or the U.S. TDP in accordance with the terms thereof;

(xv) subject to such restrictions as may exist in the Plan Documents, to vote the shares of Reorganized Federal-Mogul Common Stock held by the U.S. Asbestos Trust for purposes of electing members of the Board of Directors of Reorganized Federal-Mogul and such other matters as may be submitted to shareholders; and

(xvi) to merge any asbestos claims resolution organization formed by the U.S. Asbestos Trust with another asbestos claims resolution organization, or to contract with another asbestos claims resolution organization or other entity, or permit any other party to join in any asbestos claims resolution organization that is formed by the U.S. Asbestos Trust; provided that such merger, contract or joinder shall not (a) subject Reorganized Federal-Mogul or the other Protected Parties or any successors in interest thereto, to any risk of having any U.S. Asbestos Trust Claim asserted against it or them, or (b) otherwise jeopardize the validity or enforceability of the Section 524(g) injunction; and provided further that the terms of such merger or contract will require the surviving organization or other asbestos claims resolution organization to make decisions about the allowability and value of claims in accordance with Section 2.1 of the U.S. TDP which requires that such decisions be based on the provisions of the U.S. TDP.

(g) The Trustees shall meet with the TAC and the Future Claimants

Representative no less often than quarterly. The Trustees shall meet in the interim with the TAC and the Future Claimants Representative when so requested by either.

(h) The Trustees, upon notice from either the TAC or the Future Claimants

Representative, if practicable in view of pending business, shall at their next meeting with the TAC or the Future Claimants Representative consider issues submitted by the TAC or the Future Claimants Representative.

(i) Periodically, but not less often than once a year, the Trustees shall make

available to claimants and other interested parties the number of claims by disease levels that have been resolved both by individual review and by arbitration, as well as by trial, indicating the amounts of the awards and the averages of the awards by jurisdiction pursuant to Section 7.10 of the U.S. TDP.

2.3 Claims Administration.

The Trustees shall promptly proceed to implement the U.S. TDP.

SECTION 3

ACCOUNTS, INVESTMENTS, AND PAYMENTS

3.1 Subfunds and Accounts. The Trustees shall create the T&N Subfund, the FMP Subfund, the Fel-Pro Subfund and the Vellumoid Subfund as provided above, and may, from time to time, create such other funds, accounts and reserves within the U.S. Asbestos Trust estate as they may deem necessary, prudent, or useful in order to provide for the payment of expenses

and payment of Asbestos Personal Injury Claims, and may, with respect to any such fund, account or reserve, restrict the use of monies therein. The assets of each such Subfund shall be held by the Trustees as a separate, segregated account, shall not be co-mingled with the assets of any other Subfund, and, except as provided herein and in the Plan, shall not be used for any purpose other than paying claims asserted against such Subfund, as well as expenses incurred by the U.S. Asbestos Trust in the administration of the Subfund.

3.2 Investments. Investment of monies held in the U.S. Asbestos Trust shall be administered in the manner in which individuals of ordinary prudence, discretion, and judgment would act in the management of their own affairs, subject to the following limitations and provisions:

(a) The U.S. Asbestos Trust shall not acquire, directly or indirectly, equity in any entity (other than Reorganized Federal-Mogul or any successor to Reorganized Federal-Mogul) or business enterprise if, immediately following such acquisition, the U.S. Asbestos Trust would hold more than 5% of the equity in such entity or business enterprise. The U.S. Asbestos Trust shall not hold, directly or indirectly, more than 10% of the equity in any entity (other than Reorganized Federal-Mogul or any successor to Reorganized Federal-Mogul) or business enterprise.

(b) Except as expressly contemplated by or provided for in the Plan, the U.S. Asbestos Trust shall not acquire or hold any long-term debt securities unless (i) such securities are included in the Trust Assets under the Plan, (ii) such securities are rated “Baa” or higher by Moody’s, “BBB” or higher by Standard & Poor’s (“S&P’s”), or have been given an equivalent investment grade rating by another nationally recognized statistical rating agency, or (iii) have

been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof.

(c) The U.S. Asbestos Trust shall not acquire or hold for longer than ninety (90) days any commercial paper unless such commercial paper is rated “Prime-1” or higher by Moody’s or “A-1” or higher by S&P’s or has been given an equivalent rating by another nationally recognized statistical rating agency.

(d) Excluding any securities of the Debtor or Reorganized Federal-Mogul, the U.S. Asbestos Trust shall not acquire or hold any common or preferred stock or convertible securities unless such stock or securities are rated “A” or higher by Moody’s or “A” or higher by S&P’s or have been given an equivalent investment grade rating by another nationally recognized statistical rating agency.

(e) Except as expressly contemplated by or provided for in the Plan, the U.S. Asbestos Trust shall not acquire any debt securities or other instruments issued by any entity (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) if, following such acquisition, the aggregate market value of all debt securities and instruments issued by such entity held by the U.S. Asbestos Trust would exceed 2% of the aggregate value of the Trust Assets. Except as expressly contemplated by or provided for in the Plan, the U.S. Asbestos Trust shall not hold any debt securities or other instruments issued by any entity (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof and other than debt securities or other instruments of Reorganized Federal-Mogul or any successor to Reorganized Federal-

Mogul) to the extent that the aggregate market value of all securities and instruments issued by such entity held by the U.S. Asbestos Trust would exceed 5% of the aggregate value of the Trust Assets.

(f) The U.S. Asbestos Trust shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Section 3.2(b) above.

(g) The U.S. Asbestos Trust may acquire and hold any securities or instruments issued by Reorganized Federal-Mogul or any successor to Reorganized Federal-Mogul, or obtained as proceeds of litigation or otherwise to resolve disputes, without regard to the limitations set forth in Subsections (a)-(f) above.

(h) The U.S. Asbestos Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Trustees, they are adequately collateralized.

(i) The U.S. Asbestos Trust shall not acquire or hold any options.

3.3 Source of Payments. All U.S. Asbestos Trust expenses and all liabilities with respect to Asbestos Personal Injury Claims shall be payable solely by the Trustees out of the Trust Assets. None of the Debtors, Reorganized Debtors, or other Protected Parties, nor the Trustees, the TAC or Future Claimants Representative, or any of their officers, agents, advisors, or employees shall be liable for the payment of any U.S. Asbestos Trust expense or any other liability of the U.S. Asbestos Trust.

SECTION 4

TRUSTEES; DELAWARE TRUSTEES

4.1 Number. In addition to the Delaware Trustee appointed pursuant to Section 4.11 below, there shall be three (3) Trustees. The initial Trustees shall be those persons named on the signature page hereof. At their first meeting, the initial Trustees shall designate one of their number to serve as the Managing Trustee of the U.S. Asbestos Trust, with such administrative duties as the Trustees may determine. The Trustees may change the designation of the individual to serve as Managing Trustee from time to time as circumstances warrant.

4.2 Term of Service.

(a) The initial Trustees named pursuant to Article 4.1 above shall serve the staggered terms of three (3), four (4) and five (5) years as shown on the signature page hereof. Thereafter each term of service shall be five (5) years. The initial Trustees shall serve from the Effective Date until the earlier of (i) the end of his or her term, (ii) his or her death, (iii) his or her resignation pursuant to Section 4.2(b) below, (iv) his or her removal pursuant to Section 4.2(c) below, or (v) the termination of the U.S. Asbestos Trust pursuant to Section 7.2 below.

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

(c) A Trustee may be removed by unanimous vote of the remaining Trustees in the event that he or she becomes unable to discharge his or her duties hereunder due to accident or physical or mental deterioration, or for other good cause. Good cause shall be

deemed to include, without limitation, any substantial failure to comply with the general administration provisions of Section 2.2 above, a consistent pattern of neglect and failure to perform or participate in performing the duties of the Trustees hereunder, or repeated non-attendance at scheduled meetings. Such removal shall require the approval of the Bankruptcy Court and shall take effect at such time as the Bankruptcy Court shall determine.

4.3 Appointment of Successor Trustees.

(a) In the event of a vacancy in the position of a Trustee, whether by death, term expiration, resignation or removal, the remaining Trustees shall consult with the TAC and the Future Claimants Representative concerning appointment of a successor Trustee (a “Successor Trustee”). The vacancy shall be filled by the unanimous vote of the remaining Trustees unless a majority of the TAC or the Future Claimants Representative vetoes the appointment. In the event that the remaining Trustees cannot agree on a Successor Trustee, or a majority of the TAC or the Future Claimants Representative vetoes the appointment of the proposed successor Trustee, the Bankruptcy Court shall make the appointment. Nothing shall prevent the reappointment of a Trustee for an additional term or terms.

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

(c) Each Successor Trustee shall serve until the earlier of (i) the end of a full term of five (5) years if the predecessor Trustee completed his or her term, (ii) the end of the remainder of the term of the Trustee whom he or she is replacing if said predecessor Trustee did

not complete said term, (iii) his or her death, (iv) his or her resignation pursuant to Section 4.2(b) above, (v) his or her removal pursuant to Section 4.2(c) above, or (vi) the termination of the U.S. Asbestos Trust pursuant to Section 7.2 below.

4.4 Liability of Trustees, Officers and Employees. The Trustees and the individuals identified as Additional Indemnitees in Section 2.1(c)(xv) above shall not be liable to the U.S. Asbestos Trust, to any individual holding an asbestos claim, or to any other person, except for such individual's own breach of trust committed in bad faith or willful misappropriation. In addition, the Trustees and the Additional Indemnitees shall not be liable for any act or omission of any other Trustee or Additional Indemnitee unless such person acted with bad faith in the selection or retention of such other Trustee or Additional Indemnitee.

4.5 Compensation and Expenses of Trustees.

(a) The Trustees shall receive compensation from the U.S. Asbestos Trust for their services as Trustees in the amount of \$75,000 per annum for the Managing Trustee and \$60,000 per annum for the other Trustees, plus a per diem allowance for meetings or other U.S. Asbestos Trust business performed in the amount of \$1,500. For purposes of the per diem allowance, U.S. Asbestos Trust business includes, but is not limited to, attendance at meetings of Reorganized Federal-Mogul's Board of Directors. For purposes of Section 7.4 below, the Trustees shall determine the scope and duration of activities that constitute a meeting and, if the Trustees elect to provide for payment for activities of less than a full day's duration, may provide for partial payment of per diem amounts on a proportional basis for activities of less than a full day's duration. The per annum and per diem compensation payable to the Trustees hereunder shall be reviewed every three (3) years and appropriately adjusted for changes in the cost of

living. Any other changes in compensation of the Trustees shall be made subject to the approval of the Bankruptcy Court. The Delaware Trustee shall be paid from the U.S. Asbestos Trust an initial fee of [\$] upon entry into this U.S. Asbestos Trust Agreement and an annual fee of [\$], the first payment for which shall be due on [].

(b) The U.S. Asbestos Trust will promptly reimburse the Trustees and the Delaware Trustees for all reasonable out-of-pocket costs and expenses incurred by the Trustees or the Delaware Trustee in connection with the performance of their duties hereunder.

(c) The U.S. Asbestos Trust shall include a description of the amounts paid under this Section 4.5 in the accounts to be filed with the Bankruptcy Court and provided to the TAC, the Future Claimants Representative, and Reorganized Federal-Mogul pursuant to Section 2.2(c)(i).

4.6 Indemnification of Trustees and Additional Indemnitees.

(a) The U.S. Asbestos Trust shall indemnify and defend each Trustee, the Delaware Trustee and each Additional Indemnitee in the performance of its, his or her duties hereunder to the fullest extent that a statutory trust organized under the laws of the State of Delaware is from time to time entitled to indemnify and defend such Person (as defined in the Act) against any and all liabilities, expenses, claims, damages or losses incurred by or on behalf of it, him or her in the performance of its, his or her duties. Notwithstanding the foregoing, no Trustee, Delaware Trustee or Additional Indemnitee shall be indemnified or defended in any way for any liability, expense, claim, damage or loss for which it, he or she is ultimately liable under Section 4.4 above.

(b) Any fees and expenses reasonably incurred by or on behalf of a Trustee, the Delaware Trustee or an Additional Indemnatee in connection with any action, suit or proceeding, whether civil, administrative or arbitral, from which it, he or she is indemnified by the U.S. Asbestos Trust pursuant to Section 4.6(a) above, including without limitation out-of-pocket fees and expenses and attorneys' fees and expenses, shall be paid by the U.S. Asbestos Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of the Trustee, Delaware Trustee or Additional Indemnatee, as the case may be, to repay such amount in the event that it shall be determined by a Final Order that such Trustee, Delaware Trustee or Additional Indemnatee is not entitled to be indemnified by the U.S. Asbestos Trust.

(c) The Trustees may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, and, if requested, shall purchase insurance on behalf of the TAC, the Future Asbestos Claimants Representative, and such officers or employees of the TAC, and Future Asbestos Claimants Representative who are typically insured under standard policy forms (the "Insured Individuals"), including for liability asserted against or incurred by such individual in that capacity or arising from his or her status with regard to the U.S. Asbestos Trust. If so requested, the Trustees shall keep the Insured Individuals continuously insured, to the fullest extent available for errors and omissions, in such total amounts and with such terms as the Trustees, TAC and Future Asbestos Claimants Representative may reasonably agree upon from time to time.

4.7 Trustees' Lien. The Trustees, the Delaware Trustee and the Additional Indemnities shall have a first priority lien upon the Trust Assets to secure the payment of any amounts payable to them pursuant to Section 4.6 above.

4.8 Trustees' Employment of Experts; Delaware Trustee's Employment of Counsel.

(a) The Trustees may, but shall not be required to, retain and/or consult with counsel, accountants, appraisers, auditors and forecasters, and other parties deemed by the Trustees to be qualified as experts on the matters submitted to them, and the written opinion of or information provided by any such parties on any matters submitted to them by the Trustees shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustees hereunder in good faith and in accordance with the written opinion of or information provided by any such party.

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

4.9 Trustees' Independence. The Trustees shall not, during the term of their service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for Reorganized Federal-Mogul. Notwithstanding the foregoing, any Trustee may serve, without any additional compensation other than the per diem compensation to be paid by the U.S. Asbestos Trust pursuant to Section 4.5(a) above, as a director of Reorganized Federal-Mogul. No Trustee shall act as an attorney for any person who holds an asbestos claim. For the avoidance of doubt, this Section shall not be applicable to the Delaware Trustee.

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

4.11 Delaware Trustee.

(a) There shall at all times be a Delaware Trustee. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity that has its principal place of business in the State of Delaware, otherwise meets the requirements of applicable Delaware law and shall act through one or more persons authorized to bind such entity. If at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of this Section 4.11, it shall resign immediately in the manner and with the effect hereinafter specified in Section 4.11(c) below. For the avoidance of doubt, the Delaware Trustee will only have such rights and obligations as expressly provided by reference to the Delaware Trustee hereunder.

(b) The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities, of the Trustees set forth herein. The Delaware Trustee shall be one of the trustees of the U.S. Asbestos Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Act and for taking such actions as are required to be taken by a Delaware Trustee under the Act. The duties (including fiduciary duties), liabilities and obligations of the Delaware Trustee shall be limited to (i) accepting legal process served on the U.S. Asbestos Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Secretary of State of the State of Delaware that the Delaware Trustee is required to execute under Section 3811 of the Act and there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the Delaware Trustee.

(c) The Delaware Trustee shall serve until such time as the Trustees remove the Delaware Trustee or the Delaware Trustee resigns and a successor Delaware Trustee is

appointed by the Trustees in accordance with the terms of Section 4.11(d) below. The Delaware Trustee may resign at any time upon the giving of at least 60 days' advance written notice to the Trustees; provided, that such resignation shall not become effective unless and until a successor Delaware Trustee shall have been appointed by the Trustees in accordance with Section 4.11(d) below. If the Trustees do not act within such 60-day period, the Delaware Trustee may apply to the Court of Chancery of the State of Delaware for the appointment of a successor Delaware Trustee.

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

SECTION 5

TRUST ADVISORY COMMITTEE

5.1 Members. The TAC shall consist of four (4) members, who shall initially be the persons named on the signature page hereof.

5.2 Duties. The members of the TAC shall serve in a fiduciary capacity representing all holders of present Asbestos Personal Injury Claims. The Trustees must consult with the TAC on matters identified in Section 2.2(e) above and in other provisions herein, and must obtain the consent of the TAC on matters identified in Section 2.2(f) above. Where provided in the U.S. TDP, certain other actions by the Trustees are also subject to the consent of the TAC.

5.3 Term of Office.

(a) A member of the TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 5.3(b) below, (iii) his or her removal pursuant to Section 5.3(c) below, or (iv) termination of the U.S. Asbestos Trust pursuant to Section 7.2 below.

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

(c) A member of the TAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration,

mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated non-attendance at scheduled meetings, or other good cause. Such removal shall be made at the recommendation of the remaining members of the TAC with the approval of the Bankruptcy Court.

5.4 Appointment of Successor.

(a) In the event of a vacancy caused by the resignation or death of a TAC member, his or her successor shall be pre-selected by the resigning or deceased TAC member, or by his or her law firm in the event that such member has not pre-selected a successor. If neither the member nor the law firm exercises the right to make such a selection, the successor shall be chosen by a majority vote of the remaining TAC members. If a majority of the remaining members cannot agree, the Bankruptcy Court shall appoint the successor. In the event of a vacancy caused by the removal of a TAC member, the remaining members of the TAC by majority vote shall name the successor. If the majority of the remaining members of the TAC cannot reach agreement, the Bankruptcy Court shall appoint the successor.

(b) Each successor TAC member shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 5.3(b) above, (iii) his or her removal pursuant to Section 5.3(c) above, or (iv) the termination of the U.S. Asbestos Trust pursuant to Section 7.2 below.

5.5 TAC's Employment of Professionals.

(a) The TAC may but is not required to retain and/or consult counsel, accountants, appraisers, auditors, forecasters, experts, and financial and investment advisors, and

such other parties deemed by the TAC to be qualified as experts on matters submitted to the TAC (the “Professionals”). The TAC and its Professionals shall at all times have complete access to the U.S. Asbestos Trust’s officers, employees and agents, as well as to the Professionals retained by the U.S. Asbestos Trust, and shall also have complete access to all information generated by them or otherwise available to the U.S. Asbestos Trust or the Trustees. In the absence of gross negligence, the written opinion of or information provided by any Professional deemed by the TAC to be qualified as an expert on the particular matter submitted to the TAC shall be full and complete authorization and protection in support of any action taken or not taken by the TAC in good faith and in accordance with the written opinion of or information provided by the Professional.

(b) The U.S. Asbestos Trust shall promptly reimburse, or pay directly if so instructed, the TAC for all reasonable fees and costs associated with the TAC’s employment of legal counsel pursuant to this provision in connection with the TAC’s performance of its duties hereunder. The U.S. Asbestos Trust shall also promptly reimburse, or pay directly if so instructed, the TAC for all reasonable fees and costs associated with the TAC’s employment of any other Professional pursuant to this provision in connection with the TAC’s performance of its duties hereunder; provided, however, that (i) the TAC has first submitted to the U.S. Asbestos Trust a written request for such reimbursement setting forth the reasons (A) why the TAC desires to employ such Professional, and (B) why the TAC cannot rely on Professionals retained by the U.S. Asbestos Trust to meet the need of the TAC for such expertise or advice, and (ii) the U.S. Asbestos Trust has approved the TAC’s request for reimbursement in writing. If the U.S. Asbestos Trust agrees to pay for the TAC Professional, such reimbursement shall be treated as an U.S. Asbestos Trust Expense. If the U.S. Asbestos Trust declines to pay for the TAC

Professional, it must set forth its reasons in writing. If the TAC still desires to employ such Professional at the U.S. Asbestos Trust's expense, the TAC and the Trustees shall resolve their dispute pursuant to Section 7.13 below.

5.6 Compensation and Expenses of TAC.

The members of the TAC shall receive compensation from the U.S. Asbestos Trust for their services as TAC members in the form of a reasonable hourly rate set by the Trustees for attendance at meetings or other conduct of U.S. Asbestos Trust business. The members of the TAC shall also be reimbursed promptly for all reasonable out-of-pocket costs and expenses incurred by the TAC members in connection with the performance of their duties hereunder. Such reimbursement or direct payment shall be deemed an U.S. Asbestos Trust expense. The U.S. Asbestos Trust shall include a description of the amounts paid under this Section 5.6 in the accounts to be filed with the Bankruptcy Court and provided to the Trustees, the Future Claimants Representative, and Reorganized Federal-Mogul pursuant to Section 2.2(c)(i).

5.7 Procedures for Consultation with and Obtaining the Consent of the TAC.

(a) Consultation Process.

(i) In the event the Trustees are required to consult with the TAC pursuant to Section 2.2(e) above or on other matters as provided herein, the Trustees shall provide the TAC with written advance notice of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustees shall also provide the TAC with such reasonable access to Professionals and other

experts retained by the U.S. Asbestos Trust and its staff (if any) as the TAC may reasonably request during the time that the Trustees are considering such matter, and shall also provide the TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustees.

(ii) The Trustees shall take into consideration the time required for the TAC, if its members so wish, to engage and consult with its own independent financial or investment advisors as to such matter.

(b) **Consent Process.**

(i) In the event the Trustees are required to obtain the consent of the TAC pursuant to Section 2.2(f) above, the Trustees shall provide the TAC with a written notice stating that their consent is being sought pursuant to that provision, describing in detail the nature and scope of the action the Trustees propose to take, and explaining in detail the reasons why the Trustees desire to take such action. The Trustees shall provide the TAC as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustees shall also provide the TAC with such reasonable access to Professionals and other experts retained by the U.S. Asbestos Trust and its staff (if any) as the TAC may reasonably request during the time that the Trustees are considering such action, and shall also provide the TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustees.

(ii) The TAC must consider in good faith and in a timely fashion any request for its consent by the Trustees, and must in any event advise the Trustees in writing of its consent or its objection to the proposed action within 30 days of receiving the original request for

consent from the Trustees. The TAC may not withhold its consent unreasonably. If the TAC decides to withhold its consent, it must explain in detail its objections to the proposed action. If the TAC does not advise the Trustees in writing of its consent or its objections to the action within 30 days of receiving notice regarding such request, the TAC's consent to the proposed actions shall be deemed to have been affirmatively granted.

(iii) If, after following the procedures specified in this Section 5.7(b), the TAC continues to object to the proposed action and to withhold its consent to the proposed action, the Trustees and/or the TAC shall resolve their dispute pursuant to Section 7.13. However, the burden of proof with respect to the validity of the TAC's objection and withholding of its consent shall be on the TAC.

SECTION 6

THE FUTURE CLAIMANTS REPRESENTATIVE

6.1 Duties. The Future Claimants Representative shall be the individual identified on the signature pages hereto. He or she shall serve in a fiduciary capacity, representing the interests of the holders of future Asbestos Personal Injury Claims for the purpose of protecting the rights of such persons. The Trustees must consult with the Future Claimants Representative on matters identified in Section 2.2(e) above and on certain other matters provided herein, and must obtain the consent of the Future Claimants Representative on matters identified in Section 2.2(f) above. Where provided in the U.S. TDP, certain other actions by the Trustees are also subject to the consent of the Future Claimants Representative.

6.2 Term of Office.

(a) The Future Claimants Representative shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 6.2(b) below, (iii) his or her removal pursuant to Section 6.2(c) below, or (iv) the termination of the U.S. Asbestos Trust pursuant to Section 7.2 below.

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

(c) The Future Claimants Representative may be removed by the Bankruptcy Court in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties hereunder, such as repeated non-attendance at scheduled meetings.

6.3 Appointment of Successor. A vacancy caused by death or resignation shall be filled with an individual nominated prior to the effective date of the resignation or the death by the resigning or deceased Future Claimants Representative, and a vacancy caused by removal of the Future Claimants Representative shall be filled with an individual nominated by the Trustees in consultation with the TAC, subject to the approval of the Bankruptcy Court.. In the event a majority of the Trustees cannot agree, or a nominee has not been pre-selected, the successor shall be chosen by the Bankruptcy Court.

6.4 Future Claimants Representative's Employment of Professionals.

(a) The Future Claimants Representative may but is not required to retain and/or consult counsel, accountants, appraisers, auditors, forecasters, experts, and financial and investment advisors, and such other parties deemed by the Future Claimants Representative to be qualified as experts on matters submitted to the Future Claimants Representative (the “Professionals”). The Future Claimants Representative and his or her experts shall at all times have complete access to the U.S. Asbestos Trust’s officers, employees and agents, as well as to the Professionals retained by the U.S. Asbestos Trust, and shall also have complete access to all information generated by them or otherwise available to the U.S. Asbestos Trust or the Trustees. In the absence of gross negligence, the written opinion of or information provided by any Professional deemed by the Future Claimants Representative to be qualified as an expert on the particular matter submitted to the Future Claimants Representative shall be full and complete authorization and protection in support of any action taken or not taken by the Future Claimants Representative in good faith and in accordance with the written opinion of or information provided by the Professional.

(b) The U.S. Asbestos Trust shall promptly reimburse, or pay directly if so instructed, the Future Claimants Representative for all reasonable fees and costs associated with the Future Claimants Representative’s employment of legal counsel pursuant to this provision in connection with the Future Claimants Representative’s performance of his or her duties hereunder. The U.S. Asbestos Trust shall also promptly reimburse, or pay directly if so instructed, the Future Claimants Representative for all reasonable fees and costs associated with the Future Claimants Representative’s employment of any other Professionals pursuant to this provision in connection with the Future Claimants Representative’s performance of his or her duties hereunder; provided, however, that (i) the Future Claimants Representative has first

submitted to the U.S. Asbestos Trust a written request for such reimbursement setting forth the reasons (A) why the Future Claimants Representative desires to employ the Professional, and (B) why the Future Claimants Representative cannot rely on Professionals retained by the U.S. Asbestos Trust to meet the need of the Future Claimants Representative for such expertise or advice, and (ii) the U.S. Asbestos Trust has approved the Future Claimants Representative's request for reimbursement in writing. If the U.S. Asbestos Trust agrees to pay for the Future Claimants Representative's Professional, such reimbursement shall be treated as an U.S. Asbestos Trust Expense. If the U.S. Asbestos Trust declines to pay for the Future Claimants Representative's Professional, it must set forth its reasons in writing. If the Future Claimants Representative still desires to employ the Professional at U.S. Asbestos Trust expense, the Future Claimants Representative and the Trustees shall resolve their dispute pursuant to Section 7.13 below.

6.5 Compensation and Expenses of the Future Claimants Representative.

(a) The Future Claimants Representative shall receive compensation from the U.S. Asbestos Trust in the form of the Future Claimants Representative's normal hourly rate for services performed. The U.S. Asbestos Trust will promptly reimburse the Future Claimants Representative for all reasonable out-of-pocket costs and expenses incurred by the Future Claimants Representative in connection with the performance of his or her duties hereunder. Such reimbursement or direct payment shall be deemed an U.S. Asbestos Trust expense. The U.S. Asbestos Trust shall include a description of the amounts paid under this Section 6.5 in the accounts to be filed with the Bankruptcy Court and provided to the Trustees, the Future Claimants Representative, and Reorganized Federal-Mogul pursuant to Section 2.2(c)(i).

6.6 Procedures for Consultation with and Obtaining the Consent of the Future Claimants Representative.

(a) Consultation Process.

(i) In the event the Trustees are required to consult with the Future Claimants Representative pursuant to Section 2.2(e) above or on any other matters specified herein, the Trustees shall provide the Future Claimants Representative with written advance notice of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustees shall also provide the Future Claimants Representative with such reasonable access to Professionals and other experts retained by the U.S. Asbestos Trust and its staff (if any) as the Future Claimants Representative may reasonably request during the time that the Trustees are considering such matter, and shall also provide the Future Claimants Representative the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustees.

(ii) The Trustees shall take into consideration the time required for the Future Claimants Representative, if he or she so wishes, to engage and consult with his or her own independent financial or investment advisors as to such matter.

(b) Consent Process.

(i) In the event the Trustees are required to obtain the consent of the Future Claimants Representative pursuant to Section 2.2(f) above, the Trustees shall provide the Future Claimants Representative with a written notice stating that his or her consent is being sought pursuant to that provision, describing in detail the nature and scope of the action the Trustees propose to take, and explaining in detail the reasons why the Trustees desire to take

such action. The Trustees shall provide the Future Claimants Representative as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustees shall also provide the Future Claimants Representative with such reasonable access to Professionals and other experts retained by the U.S. Asbestos Trust and its staff (if any) as the Future Claimants Representative may reasonably request during the time that the Trustees are considering such action, and shall also provide the Future Claimants Representative the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustees.

(ii) The Future Claimants Representative must consider in good faith and in a timely fashion any request for his or her consent by the Trustees, and must in any event advise the Trustees in writing of his or her consent or objection to the proposed action within 30 days of receiving the original request for consent from the Trustees. The Future Claimants Representative may not withhold his or her consent unreasonably. If the Future Claimants Representative decides to withhold consent, he or she must explain in detail his or her objections to the proposed action. If the Future Claimants Representative does not advise the Trustees in writing of his or her consent or objections to the proposed action within 30 days of receiving the notice from the Trustees regarding such consent, the Future Claimants Representative's consent shall be deemed to have been affirmatively granted.

(iii) If, after following the procedures specified in this Section 5.7(b), the Future Claimants Representative continues to object to the proposed action and to withhold its consent to the proposed action, the Trustees and/or the Future Claimants Representative shall resolve their dispute pursuant to Section 7.13. However, the burden of proof with respect to the

validity of the Future Claimants Representative's objection and withholding of his or her consent shall be on the Future Claimants Representative.

SECTION 7

GENERAL PROVISIONS

7.1 Irrevocability. The U.S. Asbestos Trust is irrevocable.

7.2 Termination.

(a) The U.S. Asbestos Trust shall automatically terminate on the date ninety (90) days after the first to occur of the following events (the "Termination Date"):

(i) the Trustees decide to terminate the U.S. Asbestos Trust because (A) they deem it unlikely that new Asbestos Personal Injury Claims will be filed against the U.S. Asbestos Trust, (B) all Asbestos Personal Injury Claims duly filed with the U.S. Asbestos Trust have been liquidated and paid to the extent provided in this U.S. Asbestos Trust Agreement and the U.S. TDP or disallowed by a final, non-appealable order, to the extent possible based upon the funds available through the Plan, and (C) twelve (12) consecutive months have elapsed during which no new Asbestos Personal Injury Claim has been filed with the U.S. Asbestos Trust; or

(ii) if the Trustees have procured and have in place irrevocable insurance policies and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the U.S. Asbestos Trust in a manner consistent with this U.S. Asbestos Trust

Agreement and the U.S. TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order; or

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

(b) On the Termination Date, after payment of all the U.S. Asbestos Trust's liabilities have been provided for, all monies remaining in the U.S. Asbestos Trust estate shall be given to such organization(s) exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, which tax-exempt organization(s) shall be selected by the Trustees using their reasonable discretion; provided, however, that (i) if practicable, the activities of the selected tax-exempt organization(s) shall be related to the treatment of, research on, or the relief of suffering of individuals suffering from asbestos related lung disorders, and (ii) the tax-exempt organization(s) shall not bear any relationship to Reorganized Federal-Mogul within the meaning of Section 468B(d)(3) of the Internal Revenue Code. Notwithstanding any contrary provision of the Plan and related documents, this Section 7.2(b) cannot be modified or amended.

7.3 Amendments. The Trustees, after consultation with the TAC and the Future Claimants Representative, and subject to the consent of the TAC and the Future Claimants Representative, may modify or amend this U.S. Asbestos Trust Agreement. The Trustees, after consultation with the TAC and the Future Claimants Representative, and subject to the consent of the TAC and the Future Claimants Representative, may also modify or amend the U.S. TDP, provided, however, that no amendment to the U.S. TDP shall be inconsistent with the limitations

on amendments provided therein, and, in particular, the provisions limiting amendment of the Claims Payment Ratio set forth in Section 2.5 of the U.S. TDP and of the Payment Percentage set forth in Section 4.2 of the U.S. TDP. Any modification or amendment made pursuant to this Article must be done in writing, and must be described in the annual report to be filed by the U.S. Asbestos Trust with the Bankruptcy Court pursuant to Section 2.2(c)(i). Notwithstanding anything contained in this U.S. Asbestos Trust Agreement to the contrary, neither this U.S. Asbestos Trust Agreement, the U.S. Asbestos Trust Bylaws, the U.S. TDP, nor any document annexed to the foregoing shall be modified or amended in any way that could jeopardize, impair, or modify the applicability of Section 524(g) of the Bankruptcy Code, the efficacy or enforceability of the injunction entered thereunder, or the U.S. Asbestos Trust's qualified settlement fund status under Section 468B of the Internal Revenue Code, or any of the indemnity obligations of the Trust provided under the Plan.

7.4 Meetings. The Trustees, the TAC, and the Future Claimants Representative, shall be deemed to have attended a meeting in the event such person spends at least four hours of the day conferring, in person or by telephone conference call, on U.S. Asbestos Trust matters with the TAC, the Future Claimants Representative, or Trustees, as applicable. A Trustee shall also be deemed to have attended a meeting in the event he or she spends at least four hours of the day engaging in activities related to Reorganized Federal-Mogul, including attendance at its Board of Directors meetings. The Trustees, the TAC and the Future Claimants Representative shall have discretion to determine whether a meeting, as described herein, occurred for purposes of Sections 4.5, 5.6, and 6.5 above.

7.5 Severability. Should any provision in this U.S. Asbestos Trust Agreement be determined to be unenforceable, such determination shall in no way limit or affect the

enforceability and operative effect of any and all other provisions of this U.S. Asbestos Trust Agreement.

7.6 Notices. Notices to persons asserting claims shall be given by first class mail, postage prepaid, at the address of such person, or, where applicable, such person's Future Claimants Representative, in each case as provided on such person's claim form submitted to the U.S. Asbestos Trust with respect to his or her U.S. Asbestos Trust Claim.

(a) Any notices or other communications required or permitted hereunder to the following parties shall be in writing and delivered at the addresses designated below, or sent by telex, telecopy or facsimile pursuant to the instructions listed below, or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished in writing to each of the other parties listed below in compliance with the terms hereof.

To the U.S. Asbestos Trust through the Trustees:

To the Delaware Trustee:

To Reorganized Federal-Mogul:

To the TAC:

To the Future Claimants Representative:

(b) All such notices and communications if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return transmission.

7.7 Successors and Assigns. The provisions of this U.S. Asbestos Trust Agreement shall be binding upon and inure to the benefit of Federal-Mogul, the other Protected Parties, the U.S. Asbestos Trust, the Trustees, except that neither any of the Protected Parties, the U.S. Asbestos Trust and the Trustees nor Reorganized Federal-Mogul may assign or otherwise transfer any of its, or their, rights or obligations under this U.S. Asbestos Trust Agreement except, in the case of the U.S. Asbestos Trust and the Trustees, as contemplated by Section 2.1 above.

7.8 Limitation on Claim Interests for Securities Laws Purposes. Asbestos Personal Injury Claims, and any interests therein (a) shall not be assigned, conveyed, hypothecated, pledged or otherwise transferred, voluntarily or involuntarily, directly or indirectly, except by will or under the laws of descent and distribution; (b) shall not be evidenced by a certificate or other instrument; (c) shall not possess any voting rights; and (d) shall not be entitled to receive any dividends or interest; provided, however, that clause (a) of this Section 7.8 shall not apply to the holder of a claim that is subrogated to a U.S. Asbestos Trust Claim as a result of its satisfaction of such U.S. Asbestos Trust Claim.

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

7.10 Headings. The headings used in this U.S. Asbestos Trust Agreement are inserted for convenience only and do not constitute a portion of this U.S. Asbestos Trust Agreement, nor in any manner affect the construction of the provisions of this U.S. Asbestos Trust Agreement.

7.11 Governing Law. This U.S. Asbestos Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to Delaware conflict of law principles.

7.12 Federal-Mogul's Representations and Cooperation. Federal-Mogul, on behalf of itself and its subsidiaries, is hereby authorized to take any action required of a beneficial owner, as defined in the Act, in connection with the Trust Agreement. The Debtors and Reorganized Debtors agree to cooperate in implementing the goals and objectives of this U.S. Asbestos Trust.

7.13 Dispute Resolution. Any disputes that arise under this U.S. Asbestos Trust Agreement or under the U.S. TDP shall be resolved by submission of the matter to an alternative dispute resolution (“ADR”) process mutually agreeable to the parties involved except that this

ADR procedure shall not apply to any disputes between the Trust and any Pneumo Protected Party. Should any party to the ADR process be dissatisfied with the decision of the arbitrator(s), that party may apply to the Bankruptcy Court for a judicial determination of the matter. In either case, if the dispute arose pursuant to the consent provision set forth in Section 5.7(b) (in the case of the TAC) or Section 6.6(b) (in the case of the Future Claimants Representative), the burden of proof shall be on the party or parties who withheld consent to show that the objection was valid. Should the dispute not be resolved by ADR process within thirty (30) days after submission, the parties are relieved of the requirement to pursue ADR prior to application to the Bankruptcy Court. Notwithstanding anything else herein contained, to the extent any provision of this U.S. Asbestos Trust Agreement is inconsistent with any provision of the Plan or the U.S. TDP, the Plan or the U.S. TDP shall control.

7.14 Enforcement and Administration. The provisions of this U.S. Asbestos Trust Agreement and the U.S. TDP attached hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees and over any disputes hereunder not resolved by alternative dispute resolution in accordance with Section 7.13 above.

7.15 Effectiveness. This U.S. Asbestos Trust Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

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

IN WITNESS WHEREOF, the parties have executed this U.S. Asbestos Trust

Agreement this _____ day of _____, _____.

Federal-Mogul

By: _____

Name and Title: _____

DELAWARE TRUSTEE

TRUSTEES

ASBESTOS CREDITORS COMMITTEE

By: _____

TRUST ADVISORY COMMITTEE

Russell W. Budd

Steven Kazan

Joseph F. Rice

Perry Weitz

FUTURE CLAIMANTS REPRESENTATIVE

Eric D. Green

EXHIBIT A

**Pneumo Abex Addendum to the U.S. Asbestos
Personal Injury Trust Agreement**

FEDERAL-MOGUL

**PNEUMO ABEX ADDENDUM TO THE U.S. ASBESTOS PERSONAL
INJURY TRUST AGREEMENT**

This addendum to the Federal-Mogul U.S. Asbestos Personal Injury Trust Agreement (the “U.S. Trust Agreement Addendum”) will be implemented and will amend and restate the sections of the U.S. Asbestos Trust Agreement referenced herein in their entirety on the Effective Date and will remain operative thereafter unless Articles II and III of the Plan B Settlement Agreement¹ become effective pursuant to Section 5.01 of the Plan B Settlement Agreement prior to the Date of Finality. If Articles II and III of the Plan B Settlement Agreement become effective pursuant to Section 5.01 of the Plan B Settlement Agreement prior to the Date of Finality, this U.S. Trust Agreement Addendum shall have no further force or effect.

The introductory paragraph shall be amended to read as follows (new language indicated in bold):

This Federal-Mogul U.S. Asbestos Personal Injury Trust Agreement (the “U.S. Asbestos Trust Agreement”), dated the date set forth on the signature page hereof and effective as of the Effective Date, is entered into by Federal-Mogul Corporation (“Federal-Mogul”), the Debtor and debtor-in-possession, in jointly-administered cases docketed under Case No. 01-10578 RTL in the United States Bankruptcy Court for the District of Delaware, on behalf of itself and the other Protected Parties; the Future Claimants Representative; the Official Committee of Asbestos Claimants (the “Committee”); the Trustees (the “Trustees”), [Wilmington Trust Company] (the “Delaware Trustee”) and the members of the Trust Advisory Committee (the “TAC”), who are further identified on the signature pages hereof and appointed at Confirmation pursuant to the Federal-Mogul Fourth Amended Joint Plan of Reorganization, as such Plan may be amended,

¹ All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Federal-Mogul Fourth Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, as such Plan may be amended, modified or supplemented from time to time, **including, but not limited to, the Addendum of Additional Provisions Incorporated Into Joint Plan of Reorganization (Pneumo Abex “Plan A” Settlement), together with the exhibits thereto (the “Addendum”)** and such definitions are incorporated herein by reference.

modified or supplemented from time to time, **and, for the avoidance of doubt, the Plan shall include the Addendum of Additional Provisions Incorporated into Joint Plan of Reorganization (Pneumo Abex “Plan A” Settlement)** (the “Plan”). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Plan, and such definitions are incorporated herein by reference. All capitalized terms not defined herein or defined in the Plan, but defined in the Bankruptcy Code or Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Rules, and such definitions are incorporated herein by reference.

The following provisions shall be amended to read as follows (new language indicated in bold):

The sixth “WHEREAS” clause of the U.S. Asbestos Trust Agreement shall be amended as follows:

WHEREAS, pursuant to the Plan, the U.S. Asbestos Trust will use the Trust Assets to pay all Asbestos Personal Injury Claims, caused by exposure to asbestos-containing products for which **(i)** Federal-Mogul and/or its wholly owned direct or indirect subsidiaries Turner & Newell (“T&N”) and its direct or indirect subsidiaries, Gasket Holdings Inc. (“Flexitallic”) and Ferodo America Inc. (“Ferodo”) (collectively the “T&N Entities”); Federal-Mogul Products Inc. (“FMP”); Felt Products Mfg. Co. (“Fel-Pro”); and Federal-Mogul’s former division Vellumoid (“Vellumoid”); and their successors, and assigns (each a “Federal-Mogul Entity,” and collectively the “Federal-Mogul Entities”) **and/or (ii) the Pneumo Protected Parties** have legal responsibility under applicable law, as provided in and by the Plan and the U.S. Asbestos Trust Agreement;

The seventh “WHEREAS” clause of the U.S. Asbestos Trust Agreement shall be amended as follows:

WHEREAS, it is the intent of the Debtors, the Trustees, the TAC, and the Future Claimants’ Representative that the U.S. Asbestos Trust be administered, maintained, and operated at all times through mechanisms that provide reasonable assurance that the U.S. Asbestos Trust will satisfy Asbestos Personal Injury Claims pursuant to the Asbestos Personal Injury Trust Distribution Procedures (the “U.S. TDP”) **and the Pneumo Asbestos Claims Trust Distribution Procedures (the “Pneumo Abex TDP”)** that are attached to the Plan in a substantially similar manner, and in strict compliance with the terms of this U.S. Asbestos Trust Agreement;

The eighth “WHEREAS” clause of the U.S. Asbestos Trust Agreement shall be amended as follows:

WHEREAS, pursuant to the Plan, the U.S. Asbestos Trust shall establish **five** separate Asbestos Trust Subfunds (the “Subfunds”), which shall include the T&N Subfund, which shall process, liquidate and make payments pursuant to the U.S. TDP to holders of Asbestos Personal Injury Claims for which the T&N Entities have legal liability as provided in the Plan, the FMP Subfund, the Fel-Pro Subfund, the Vellumoid Subfund, which shall pay claims from proceeds of insurance available to the corresponding Federal-Mogul Entity, **and the Pneumo Abex Subfund, which shall process and liquidate Pneumo Asbestos Claims and make payments to holders of Pneumo Asbestos Claims pursuant to the Pneumo Abex TDP;** and

The tenth “WHEREAS” clause of the U.S. Asbestos Trust Agreement shall be amended as follows:

WHEREAS, the Bankruptcy Court has determined that the U.S. Asbestos Trust and the Plan satisfy all the prerequisites for the issuance of **injunctions** pursuant to Section 524(g) of the Bankruptcy Code, and such **injunctions have** been entered in connection with the Confirmation Order.

The following provisions shall be amended to read as follows (new language indicated in bold):

1.2 Purpose. The purpose of the U.S. Asbestos Trust is to assume the liabilities of the Debtors and the other Protected Parties, **and Pneumo Protected Parties as provided in section 1.4(f) below**, for and with respect to all Asbestos Personal Injury Claims, and to use the assets contributed to the U.S. Asbestos Trust pursuant to the Plan and any other assets that may be contributed to or acquired by the U.S. Asbestos Trust from time to time and the proceeds and income from such assets to pay the holders of all Asbestos Personal Injury Claims in accordance with this U.S. Asbestos Trust Agreement, the U.S. TDP **and the Pneumo Abex TDP** in such a way that such holders of Asbestos Personal Injury Claims are treated fairly, equitably and reasonably in light of the limited assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B) of the Bankruptcy Code.

1.3 Transfer of Assets. Pursuant to the Plan, the Trust Assets will be transferred and assigned to the U.S. Asbestos Trust to settle and discharge all Asbestos Personal Injury Claims. Pursuant to the Plan, Federal-Mogul, and the other Protected Parties, **and the Pneumo Parties**, from and after the Effective Date, and others may also transfer and assign additional assets to the U.S. Asbestos Trust from time to time to be added to the Trust Assets described above. Except as otherwise provided in the Plan or the Plan Documents, any and all assets transferred to the U.S. Asbestos Trust shall be free and clear of any liens or other claims by any Protected Party, **the Pneumo Parties**, any creditor, or other entity. Federal-Mogul, Reorganized Federal-Mogul, **the Pneumo Parties** and any other transferors shall also execute and deliver such documents to the U.S. Asbestos Trust as the Trustees reasonably request to transfer and assign the Trust Assets to the U.S. Asbestos Trust.

1.4 Acceptance of Assets and Assumption of Liabilities

(b) In furtherance of the purposes of the U.S. Asbestos Trust, the Trustees, on behalf of the U.S. Asbestos Trust, expressly assume all liability for all Asbestos Personal Injury Claims, **other than Pneumo Asbestos Claims against the Pneumo Protected Parties**. Subject to and as otherwise provided in the Plan and exhibits thereto, the U.S. Asbestos Trust shall also have all defenses available to any Protected Party and all Trust Causes of Action. Regardless of the foregoing, however, a claimant must meet otherwise applicable federal, state and foreign statutes of limitations and repose, except as otherwise provided in Section 5.1(a)(2) of the U.S. TDP.

(c) No provision herein or in the U.S. TDP **or in the Pneumo Abex TDP** shall be construed to mandate distributions on any claims or other actions that would contravene the U.S. Asbestos Trust's compliance with the requirements of a qualified settlement fund within the meaning of section 1.468B-1 et seq. of the Treasury Regulations promulgated under section 468B of the IRC.

(d) The U.S. Asbestos Trust shall indemnify the Protected Parties **and the Pneumo Protected Parties** as and to the extent set forth in the Plan.

(e) Nothing in this U.S. Asbestos Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Section 524(g) **injunctions** issued in connection with the Plan or the U.S. Asbestos Trust's assumption of all liability for Asbestos Personal Injury Claims.

(f) **On the Effective Date, but subject to the occurrence of the Date of Finality, the U.S. Asbestos Trust expressly assumes all of FMP's liability for the resolution and payment of all Pneumo Asbestos Claims against Pneumo Protected Parties, and such liability shall be satisfied solely out of the Pneumo Abex Subfund Assets (and all proceeds thereof and income thereon); provided however, that the U.S. Asbestos Trust shall not pay any Pneumo Asbestos Claims until the occurrence of the Date of Finality.**

(g) **Subject to and except as otherwise provided in the Plan and exhibits thereto, the U.S. Asbestos Trust shall also have all defenses available to any Pneumo Protected Parties with respect to Pneumo Asbestos Claims. Regardless of the foregoing, however, a claimant must meet otherwise applicable federal, state and foreign statutes of limitations and repose, except as otherwise provided Section 5.1(a)(2) of the Pneumo Abex TDP.**

2.1 Powers.

(c) In addition to the powers set forth in Section 7.3 below, and without limiting the generality of Section 2.1(a) above, and except as limited below, the Trustees shall have the power to:

(ii) allocate all Trust Assets, including insurance proceeds, received as of the Effective Date and thereafter, to the various Trust Subfunds that are liable for the Asbestos Personal Injury Claims payable from those assets in accordance with the Plan, U.S. TDP **and Pneumo Abex TDP**;

(vii) establish the T&N Subfund, the FMP Subfund, the Fel-Pro Subfund, the Vellumoid Subfund, **the Pneumo Abex Subfund** and such other funds, reserves and accounts with the Trust Assets, as deemed by the Trustees to be useful in carrying out the purposes of the U.S. Asbestos Trust;

(ix) establish, supervise and administer the U.S. Asbestos Trust in accordance with the U.S. TDP **and the Pneumo Abex TDP** and the terms thereof;

(xviii) **except as otherwise provided in the Addendum or Pneumo Insurance Agreement in respect of the Pneumo Insurance Policies**, make, pursue (by litigation or otherwise), collect, compromise or settle, in the name of the U.S. Asbestos Trust or in the name of the appropriate Reorganized Debtor **or Pneumo Abex** any claim, right, action, or cause of action included in the Trust Assets including, but not limited to, insurance recoveries, before any court of competent jurisdiction; provided that settlement of actions before the Bankruptcy Court require the approval of the Bankruptcy Court after notice to Reorganized Federal-Mogul as the case may be;

(xix) **satisfy Cooper Resolved Claims as provided in Section 2.2.3 of the Addendum, from Pneumo Abex Subfund Assets.**

2.2 General Administration.

(c) The Trustees shall timely account to the Bankruptcy Court as follows:

(i) The Trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred and twenty (120) days following the end of each fiscal year, an annual report containing inter alia financial statements of the U.S. Asbestos Trust (including, without limitation, a balance sheet of the U.S. Asbestos Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustees shall provide a copy of such report to the TAC, the Future Claimants' Representative, Reorganized Federal-Mogul **and Cooper LLC and Cooper Ltd.** when such reports are filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in Article 2.2(c)(i) above, the Trustees shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding

the number and type of claims disposed of during the period covered by the financial statements. The Trustees shall provide a copy of such report to the TAC, the Future Claimants' Representatives, Reorganized Federal-Mogul **and Cooper LLC and Cooper Ltd.** when such report is filed.

(d) The Trustees shall cause to be prepared as soon as practicable prior to the commencement of each fiscal year a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The budget and cash flow projections shall include determining the Maximum Annual Payment pursuant to Section 2.4 of the U.S. TDP **and the Pneumo Asbestos Claims Maximum Annual Payment pursuant to Section 2.4 of the Pneumo Abex TDP**, and the Claims Payment Ratio pursuant to Section 2.5 of the U.S. TDP **and the Pneumo Asbestos Claims Payment Ratio pursuant to Section 2.5 of the Pneumo Abex TDP**. The Trustees shall provide a copy of the budget and cash flow projections to the TAC and the Future Claimants' Representative.

(e) The Trustees shall consult with the TAC and the Future Claimants Representative (i) on the general implementation and administration of the U.S. Asbestos Trust; (ii) on the general implementation and administration of the U.S. TDP **and the Pneumo Abex TDP**; and (iii) on such other matters as may be required under this U.S. Asbestos Trust Agreement, the U.S. TDP, **or the Pneumo Abex TDP**.

(f) The Trustees shall be required to obtain the consent of the TAC and the Future Claimants' Representative pursuant to the Consent Process set forth in Section 5.7(b) and 6.6(b) below, in addition to any other instances elsewhere enumerated, including as set forth in Section 7.3 below, in order:

- (i) to change the Claims Payment Ratio described in Section 2.5 of the U.S. TDP **or the Asbestos Claims Payment Ratio described in Section 2.5 of the Pneumo Abex TDP** in the event that the requirements for such a change as set forth in said provision have been met;
- (iv) to establish and/or to change the Proof of Claim Forms and other claims materials to be provided holders of Asbestos Personal Injury Claims under Section 6.1 of the U.S. TDP **or Pneumo Asbestos Claims under Section 6.1 of the Pneumo Abex TDP**;
- (vii) to establish a separate valuation matrix for any Foreign Claims at such time as the Asbestos Trust has sufficient historical settlement, verdict and other valuation data for claims from a particular foreign jurisdiction pursuant to Section 5.3(a)(2)(B) of the U.S. TDP **and Section 5.3(b)(1) of the Pneumo Abex TDP**;
- (viii) to 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 Pneumo Abex, pursuant to Section 5.8 of the U.S. TDP and Section 5.8 of the Pneumo Abex TDP;

- (x) to settle the liability of any insurer under any insurance policy or legal action related thereto; **provided however that with respect to actions taken by the Trustees regarding the Pneumo Insurance Policies and pursuant to the Pneumo Insurance Agreement, the consent of the TAC and the Future Claimants' Representative is not required;**
- (xv) subject to such restrictions as may exist in the Plan Documents, to vote the shares of Reorganized Federal-Mogul Common Stock held by the U.S. Asbestos Trust for purposes of electing members of the Board of Directors of Reorganized Federal-Mogul, **exercise the Trust's rights under the Membership Interest Assignment**, and such other matters as may be submitted to shareholders;
- (xvi) to merge any asbestos claims resolution organization formed by the U.S. Trust with another asbestos claims resolution organization, or to contract with another asbestos claims resolution organization or other entity, or permit any other party to join in any asbestos claims resolution organization that is formed by the U.S. Asbestos Trust; provided that such merger, contract or joinder shall not (a) subject Reorganized Federal-Mogul or the other Protected Parties or any successors in interest thereto, **or Pneumo Protected Parties or any successors in interest thereto** to any risk of having any Asbestos Personal Injury Claim asserted against it or them, or (b) otherwise jeopardize the validity or enforceability of the Section 524(g) **injunctions**; and provided further that the terms of such merger or contract will require the surviving organization or other asbestos claims resolution organization to make decisions about the allowability and value of claims in accordance with Section 2.1 of the U.S. TDP and **Section 2.1 of the Pneumo Abex TDP** which require that such decisions be based on the provisions of the U.S. TDP **and the Pneumo Abex TDP respectively**;
- (xvii) **at any time after the second anniversary of the Date of Finality, to change the Disease Levels, Scheduled Values and Medical/Exposure Criteria set forth in Section 5.3(a)(3) of the Pneumo Abex TDP; and**
- (xviii) **at any time after the second anniversary of the Date of Finality, but no less frequently than every three (3) years thereafter, make any further adjustments to the Pneumo Asbestos Claims Payment Percentage pursuant to Section 4.2(b) of the Pneumo Abex TDP.**

(i) Periodically, but not less often than once a year, the Trustees shall make available to claimants and other interested parties the number of claims by disease levels that have been resolved both by individual review and by arbitration, as well as by trial, indicating the amounts of the awards and the averages of the awards by jurisdiction pursuant to Section 7.10 of the U.S. TDP and **Section 7.10 of the Pneumo Abex TDP.**

2.3 Claims Administration.

The Trustees shall promptly proceed to implement the U.S. TDP **and the Pneumo Abex TDP.**

3.1 Subfunds and Accounts. The Trustees shall create the T&N Subfund, the FMP Subfund, the Fel-Pro Subfund, the Vellumoid Subfund **and the Pneumo Abex Subfund** as provided above, and may, from time to time, create such other funds, accounts and reserves within the U.S. Asbestos Trust estate as they may deem necessary, prudent, or useful in order to provide for the payment of expenses and payment of Asbestos Personal Injury Claims, and may, with respect to any such fund, account or reserve, restrict the use of monies therein. The assets of each such Subfund shall be held by the Trustees as a separate, segregated account, shall not be co-mingled with the assets of any other Subfund, and, except as provided herein and in the Plan, shall not be used for any purpose other than paying claims asserted against such Subfund, as well as expenses incurred by the U.S. Asbestos Trust in the administration of the Subfund.

3.2 Investments. Investment of monies held in the U.S. Asbestos Trust shall be administered in the manner in which individuals of ordinary prudence, discretion, and judgment would act in the management of their own affairs, subject to the following limitations and provisions:

(g) The U.S. Asbestos Trust may acquire and hold any securities or instruments issued by Reorganized Federal-Mogul, any successor to Reorganized Federal-Mogul, **Cooper LLC, Cooper Ltd or any successor to Cooper LLC, Cooper Ltd, or Pneumo Abex LLC, including the Membership Interest Assignment, or obtained** as proceeds of litigation or otherwise to resolve disputes, without regard to the limitations set forth in Subsections (a)-(f) above.

3.3 Source of Payments. All U.S. Asbestos Trust expenses and all liabilities with respect to Asbestos Personal Injury Claims shall be payable solely by the Trustees out of the Trust Assets; **provided however that Cooper Resolved Claims shall be paid by the Trustees exclusively from the Pneumo Abex Subfund Assets in accordance with the Addendum.** None of the Debtors, Reorganized Debtors, or other Protected Parties, **the Pneumo Protected Parties,** nor the Trustees, the TAC or Future Claimants Representative, or any of their officers, agents, advisors, or employees shall be liable for the payment of any U.S. Asbestos Trust expense or any other liability of the U.S. Asbestos Trust.

4.7 Trustees' Lien. The Trustees, the Delaware Trustee and the Additional Indemnities shall have a first priority lien upon the Trust Assets, **other than assets in the**

Pneumo Abex Subfund up until the Date of Finality, to secure the payment of any amounts payable to them pursuant to Section 4.6 above.

5.2 Duties. The members of the TAC shall serve in a fiduciary capacity representing all holders of present Asbestos Personal Injury Claims. The Trustees must consult with the TAC on matters identified in Section 2.2(e) above and in other provisions herein, and must obtain the consent of the TAC on matters identified in Section 2.2(f) above. Where provided in the U.S. TDP or the **Pneumo Abex TDP**, certain other actions by the Trustees are also subject to the consent of the TAC.

6.1 Duties. The Future Claimants' Representative shall be the individual identified on the signature pages hereto. He or she shall serve in a fiduciary capacity, representing the interests of the holders of future Asbestos Personal Injury Claims for the purpose of protecting the rights of such persons. The Trustees must consult with the Future Claimants' Representative on matters identified in Section 2.2(e) above and on certain other matters provided herein, and must obtain the consent of the Future Claimants' Representative on matters identified in Section 2.2(f) above. Where provided in the U.S. TDP or the **Pneumo Abex TDP**, certain other actions by the Trustees are also subject to the consent of the Future Claimants' Representative.

7.2 Termination.

(a) The U.S. Asbestos Trust shall automatically terminate on the date ninety (90) days after the first to occur of the following events (the "Termination Date"):

(i) the Trustees decide to terminate the U.S. Asbestos Trust because (A) they deem it unlikely that new Asbestos Personal Injury Claims, **including Pneumo Asbestos Claims**, will be filed against the U.S. Asbestos Trust, (B) all Asbestos Personal Injury Claims duly filed with the U.S. Asbestos Trust have been liquidated and paid to the extent provided in this U.S. Asbestos Trust Agreement, the U.S. TDP, **and the Pneumo Abex TDP** or disallowed by a final, non-appealable order, to the extent possible based upon the funds available through the Plan, and (C) twelve (12) consecutive months have elapsed during which no new Asbestos Personal Injury Claim, **including no new Pneumo Asbestos Claim**, has been filed with the U.S. Asbestos Trust; or

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

(b) On the Termination Date, after payment of all the U.S. Asbestos Trust's liabilities have been provided for, all monies remaining in the U.S. Asbestos Trust estate shall be given to such organization(s) exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, which tax-exempt organization(s) shall

be selected by the Trustees using their reasonable discretion; provided, however, that (i) if practicable, the activities of the selected tax-exempt organization(s) shall be related to the treatment of, research on, or the relief of suffering of individuals suffering from asbestos related lung disorders, and (ii) the tax-exempt organization(s) shall not bear any relationship to Reorganized Federal-Mogul **or any of the Pneumo Protected Parties** within the meaning of Section 468B(d)(3) of the Internal Revenue Code. Notwithstanding any contrary provision of the Plan and related documents, this Section 7.2(b) cannot be modified or amended.

(c) **Notwithstanding anything to the contrary herein, once all of the obligations of the Pneumo Abex Subfund set forth in Section 2.2.2 (b) of the Plan have been paid or reserved for, all amounts due to Cooper from the U.S. Asbestos Trust out of the Pneumo Abex Subfund have been paid in full, the Trustees deem it unlikely that any additional Pneumo Asbestos Claims will be filed against the U.S. Asbestos Trust for allocation to the Pneumo Abex Subfund, all Pneumo Asbestos Claims duly filed with the U.S. Asbestos Trust have been paid or disallowed in accordance with the Pneumo Abex TDP, and twelve (12) consecutive months have elapsed during which no new Pneumo Asbestos Claims have been filed with the U.S. Asbestos Trust, any then remaining Pneumo Abex Subfund Assets, proceeds thereof or income thereon may be transferred to any other Subfund of the U.S. Asbestos Trust.**

7.3 Amendments.

(a) The Trustees, after consultation with the TAC and the Future Claimants Representative, and subject to the consent of the TAC and the Future Claimants Representative, may modify or amend this U.S. Asbestos Trust Agreement. The Trustees, after consultation with the TAC and the Future Claimants Representative, and subject to the consent of the TAC and the Future Claimants Representative, may also modify or amend the U.S. TDP or the **Pneumo Abex TDP**, provided, however, that no amendment to the U.S. TDP **or Pneuom Abex TDP** shall be inconsistent with the limitations on amendments provided therein, and, in particular, the provisions limiting amendment of the Claims Payment Ratio set forth in Section 2.5 of the U.S. TDP, **the Pneuom Claims Payment Ratio set forth in Section 2.5 of the Pneuom Abex TDP**, the Payment Percentage set forth in Section 4.2 of the U.S. TDP, **and the Pneuom Claims Payment Percentage set forth in Section 4.2 of the Pneuom Abex TDP**. Any modification or amendment made pursuant to this Article must be done in writing, and must be described in the annual report to be filed by the U.S. Asbestos Trust with the Bankruptcy Court pursuant to Section 2.2(c)(i). Notwithstanding anything contained in this U.S. Asbestos Trust Agreement to the contrary, neither this U.S. Asbestos Trust Agreement, the U.S. Asbestos Trust Bylaws, the U.S. TDP, **the Pneuom Abex TDP**, nor any document annexed to the foregoing shall be modified or amended in any way that could jeopardize, impair, or modify the applicability of Section 524(g) of the Bankruptcy Code, the efficacy or enforceability of the injunctions entered thereunder, or the U.S. Asbestos Trust's qualified settlement fund status under Section 468B of the Internal Revenue Code, or any of the indemnity obligations of the Trust provided under the Plan.

(b) Notwithstanding the foregoing, on the second anniversary of the Date of Finality, pursuant to Section 4.2(a) of the Pneumo Abex TDP, the Trustees shall, without the consent of the TAC or Futures Representative, make such adjustment to the Initial Payment Percentage as they deem necessary and appropriate. Such adjustment may include increasing the Payment Percentage to a level above 100%. To the extent that the Trustees make a Mandatory Adjustment, the Trustees shall make Supplemental Payments pursuant to Section 5.1(c) of the Pneumo Abex TDP to claimants whose Pneumo Asbestos Claims previously have been paid by the U.S. Asbestos Trust.

(c) Notwithstanding the foregoing, before the second anniversary of the Date of Finality, pursuant to Section 4.2(a) of the Pneumo Abex TDP, the Trustees shall, without the consent of the TAC or Futures Representative, modify the Initial Payment Percentage if a material change occurs in either (i) the value of the assets being contributed to the funding of the Pneumo Abex Subfund, or (ii) the projected liability of the Pneumo Abex Subfund, which change the Trustees determine in the good faith exercise of their fiduciary obligations renders the continued application of a 100% Payment Percentage to Pneumo Asbestos Claims contrary to the requirements of section 524(g) of the Bankruptcy Code.

(d) Notwithstanding the foregoing, on the second anniversary of the Date of Finality, pursuant to Section 5.3(a)(4) of the Pneumo Abex TDP, the Trustees shall, without the consent of the TAC or Futures Representative, make any adjustments to these Disease Levels, presumptive Medical/Exposure Criteria, Matrix Values, and/or any other TDP provisions as they deem necessary and appropriate (the “Mandatory Adjustment”). If any said Mandatory Adjustment is made, the holders of Pneumo Asbestos Claims shall receive Supplemental Payments as provided in Section 5.1(c) of the Pneumo Abex TDP.

7.7 **Successors and Assigns.** The provisions of this U.S. Asbestos Trust Agreement shall be binding upon and inure to the benefit of Federal-Mogul, the other Protected Parties, **the Pneumo Protected Parties, the Pneumo Protected Parties**, the U.S. Asbestos Trust, the Trustees, except that neither any of the Protected Parties, the U.S. Asbestos Trust, the Trustees nor Reorganized Federal-Mogul may assign or otherwise transfer any of its, or their, rights or obligations under this U.S. Asbestos Trust Agreement except, in the case of the U.S. Asbestos Trust and the Trustees, as contemplated by Section 2.1 above.

7.13 **Dispute Resolution.** Any disputes that arise under this U.S. Asbestos Trust Agreement, under the U.S. TDP or the **Pneumo Abex TDP** shall be resolved by submission of the matter to an alternative dispute resolution (“ADR”) process mutually agreeable to the parties involved **except that this ADR procedure shall not apply to any disputes between the Trust and any Pneumo Protected Party.** Should any party to the ADR process be dissatisfied with the decision of the arbitrator(s), that party may apply to the Bankruptcy Court for a judicial determination of the matter. In either case, if the dispute arose pursuant to the consent provision set forth in Section 5.7(b) (in the case of the TAC) or Section 6.6(b) (in the case of the Future Claimants’ Representative), the burden of proof shall be on the party or parties who withheld consent to show that the objection was valid. Should the dispute not be resolved by ADR process within thirty (30) days after submission, the parties are relieved of the requirement to pursue ADR prior to application to the Bankruptcy Court. Notwithstanding anything else herein contained, to the extent any provision of this U.S. Asbestos Trust Agreement is inconsistent with

any provision of the Plan, the U.S. TDP or the **Pneumo Abex TDP**, the Plan, the U.S. TDP or the **Pneumo Abex TDP** shall control.

7.14 Enforcement and Administration. The provisions of this U.S. Asbestos Trust Agreement, the U.S. TDP and the **Pneumo Abex TDP** attached hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees and over any disputes hereunder that are subject to ADR and are not resolved by alternative dispute resolution in accordance with Section 7.13 above.

SECTION II – NEW PROVISIONS

The following new provisions shall be added:

1.5 Cooperation

(a) **The U.S. Asbestos Trust shall cooperate with Cooper LLC in connection with its exercise of the Insurance Pursuit Rights pursuant to the Pneumo Insurance Agreement when and as reasonably requested by Cooper LLC, which cooperation shall include, but not be limited to, making its books, records, employees, agents, and professionals available to Cooper LLC.**

(b) **The U.S. Asbestos Trust will make its records and experts, including its legal, actuarial and claims experts, available to Cooper LLC in connection with its efforts to collect under the Pneumo Insurance Rights and any claim that may give rise to Pneumo Insurance Rights. The U.S. Asbestos Trust acknowledges and agrees that Cooper LLC shall have the right to disclose any information Cooper LLC receives or compiles in respect of Pneumo Insurance Rights or Pneumo Asbestos Claims to insurers under Pneumo Asbestos Insurance Policies and their representatives, agents and advisors.**

(c) **The U.S. Asbestos Trust will cooperate with, make its experts available to assist, and otherwise support Cooper LLC in demonstrating that settlement values for Pneumo Asbestos Claims established under the Plan, the Pneumo Abex TDP and related documents are consistent with applicable prior settlement histories.**

(d) **The U.S. Asbestos Trust shall maintain the existence of Pneumo Abex and shall otherwise refrain from taking any action that would impair the ability of Cooper LLC to exercise the Insurance Pursuit Rights, to collect against any Pneumo Asbestos Insurance Policy for any Pneumo Asbestos Claim or otherwise in respect of the Pneumo Insurance Rights or to make any claim that may give rise to Pneumo Insurance Rights.**

(e) **The U.S. Asbestos Trust shall cooperate with Cooper LLC to maximize collection in respect of the Pneumo Insurance Rights, including preparing and submitting claims information and providing timely reports regarding trust administration and reasonable and necessary litigation support.**

(f) Cooper shall enter into an agreement in a form reasonably acceptable to the U.S. Asbestos Trust with the U.S. Asbestos Trust that provides the U.S. Asbestos Trust with reasonable access to Cooper's books and records that pertain to the Pneumo Asbestos Claims.

IN WITNESS WHEREOF, the parties have executed this U.S. Trust Agreement

Addendum this ____ day of _____, _____.

FEDERAL-MOGUL

By: _____

Name and Title: _____

DELAWARE TRUSTEE

TRUSTEES

ASBESTOS CREDITORS COMMITTEE

By: _____

TRUST ADVISORY COMMITTEE

Russell W. Budd

Steven Kazan

Joseph F. Rice

Perry Weitz

FUTURE CLAIMANTS REPRESENTATIVE

Eric D. Green

COOPER INDUSTRIES, LLC

By:

COOPER INDUSTRIES, LTD.

By:

FEDERAL-MOGUL
FORM OF
ASBESTOS PERSONAL INJURY TRUST
DISTRIBUTION PROCEDURES

FEDERAL-MOGUL

ASBESTOS PERSONAL INJURY TRUST DISTRIBUTION PROCEDURES

The Federal-Mogul U.S. Asbestos Personal Injury Trust Distribution Procedures (“U.S. TDP”) contained herein provide for resolving in accordance with the terms of the Federal-Mogul Fourth Amended Joint Plan of Reorganization, as such Plan may be amended, modified or supplemented from time to time (“Plan”) and the Federal-Mogul U.S. Asbestos Personal Injury Trust Agreement (“U.S. Asbestos Trust Agreement”) all Asbestos Personal Injury Claims (as defined in the Plan and hereinafter for all purposes of this U.S. TDP referred to as “Asbestos Trust Claims”) caused by exposure to asbestos-containing products for which Federal-Mogul and/or its wholly owned direct or indirect subsidiaries (Turner & Newell (“T&N”) and its direct or indirect U.S. subsidiaries, Gasket Holdings Inc. (“Flexitallic”) and Ferodo America Inc. (“Ferodo”) (collectively the “T&N Entities”); Federal-Mogul Products Inc. (“FMP”); Felt Products Mfg. Co. (“Fel-Pro”); and Federal-Mogul’s former division Vellumoid (“Vellumoid”); and their successors, and assigns (each a “Federal-Mogul Entity,” and collectively the “Federal-Mogul Entities”) have legal responsibility under applicable tort law, as provided in and by the Plan and the U.S. Asbestos Trust Agreement; provided, however, if the Plan channels Pneumo Asbestos Claims against the Pneumo Protected Parties to the U.S. Asbestos Trust the terms of this U.S. TDP shall not apply to Pneumo Asbestos Claims or to the Pneumo Abex Subfund.

The Plan and U.S. Asbestos Trust Agreement establish the Federal-Mogul U.S. Asbestos Personal Injury Trust (“U.S. Asbestos Trust”). The Trustees of the U.S. Asbestos Trust (“Trustees”) shall implement and administer this U.S. TDP in accordance with the U.S. Asbestos Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan and the U.S. Asbestos Trust Agreement.

SECTION I

Introduction

1.1 Purpose. This U.S. TDP has been adopted pursuant to the U.S. Asbestos Trust Agreement and the Plan. It is designed to provide fair, equitable, and substantially similar treatment for all Asbestos Trust Claims that may presently exist or may arise in the future; provided, however, that the provisions of this U.S. TDP set forth below are in all respects subject to the following sections 1.1(a) and 1.1(b).

1.1(a) Treatment of CVA Asbestos Claims. As set forth in Sections 4.2 and 4.5 of the Plan, the U.S. Asbestos Trust shall assume liability for all Asbestos Personal Injury Claims, including, without limitation, CVA Asbestos Claims. The U.S. Asbestos Trust, however, shall direct all CVA Asbestos Claims to the U.K. Asbestos Trust for resolution in accordance with the Principal CVAs. The treatment of and payments to the holders of CVA Asbestos Claims by the U.K. Asbestos Trust in accordance with the Principal CVAs shall be the sole treatment and payments available to the holders of CVA Asbestos Claims. Such treatment and payments shall be deemed to be treatment and payments by the U.S. Asbestos Trust, and the holders of CVA Asbestos Claims shall have no other rights under this U.S. TDP or against the U.S. Asbestos Trust or entitlement to any direct payments from the U.S. Asbestos Trust in respect of such CVA Asbestos Claims.

1.1(b) Treatment of Pneumo Asbestos Claims Against the Pneumo Protected Parties. In the event that the Plan channels Pneumo Asbestos Claims against the Pneumo Protected Parties to the U.S. Asbestos Trust, all Pneumo Asbestos Claims shall be paid only from the Pneumo Abex Subfund and shall be resolved solely in accordance with the terms of the Plan, the U.S. Asbestos Trust Agreement and the Pneumo Asbestos Claims Asbestos Personal Injury

Trust Distribution Procedures and such Pneumo Asbestos Claims shall not be subject to the terms of this U.S. TDP.

1.2 Interpretation. Except as otherwise provided below, nothing in this U.S. TDP shall be deemed to create a substantive right for any claimant. The rights and benefits provided herein to holders of Asbestos Trust Claims shall vest in such holders as of the Effective Date.

SECTION II

Overview

2.1 U.S. Asbestos Trust Goals and Subfunds.

2.1(a) Objective. The objective of the U.S. Asbestos Trust is to enable each claimant to receive a payment from the U.S. Asbestos Trust of Federal-Mogul's several share of the unpaid portion of the liquidated value of his or her asbestos personal injury claim that is at a level proportionate to payments to other claimants and that is calculated by reference to the level of settlements, verdicts or judgments, which claimants have historically received in their respective tort systems. To achieve this objective, the U.S. Asbestos Trust creates up to five separate subfunds (each a "U.S. Asbestos Trust Subfund" and collectively the "U.S. Asbestos Trust Subfunds" or "Subfunds"), which are described below. This U.S. TDP furthers the objective of the U.S. Asbestos Trust by setting forth procedures for processing and paying all Asbestos Trust Claims (other than CVA Asbestos Claims) from four of the respective Subfunds 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 relevant tort system.¹

¹ As used in this U.S. 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.

2.1(b) U.S. Asbestos Trust Subfunds. As provided above, the U.S. Asbestos Trust shall establish up to five U.S. Asbestos Trust Subfunds pursuant to the Plan and the U.S. Asbestos Trust Agreement to compensate holders of claims against the U.S. Asbestos Trust. One such subfund shall be the T&N Subfund, which shall process, liquidate and make payments pursuant to this U.S. TDP to holders of T&N Claims, Flexitallic Claims and Ferodo Claims (defined below) as provided in Article IV of the Plan (collectively “T&N Subfund Claims”). The other three U.S. Asbestos Trust Subfunds which are subject to the terms of this U.S. TDP shall be the FMP Subfund, the Fel-Pro Subfund and the Vellumoid Subfund, which shall pay FMP Claims, Fel-Pro Claims and Vellumoid Claims, respectively, from proceeds of insurance available to the corresponding Federal-Mogul Entity (collectively “Insured Asbestos Trust Claims”). The fifth U.S. Asbestos Trust Subfund shall be the Pneumo Abex Subfund, which shall only exist in the event the Plan channels to the U.S. Asbestos Trust Pneumo Asbestos Claims against the Pneumo Protected Parties and which, in that event, shall resolve Pneumo Abex Claims pursuant to the terms of the Pneumo Asbestos Claims Asbestos Personal Injury Trust Distribution Procedures.

A claimant may assert separate Asbestos Trust Claims against more than one U.S. Asbestos Trust Subfund based on exposure to asbestos or asbestos-containing products manufactured or distributed by more than one of the Federal-Mogul Entities identified above (“Multiple Exposure Claims”). A claimant may also assert separate Multiple Exposure Claims against the T&N Subfund based on exposure to asbestos or asbestos-containing products produced or manufactured by more than one T&N Entity; provided, however, that Multiple Exposure Claims against the T&N Subfund must be based on separate and distinct exposure to asbestos or asbestos-containing products produced, manufactured, marketed, distributed, sold or

utilized by each individual T&N Entity against which an Asbestos Trust Claim is filed. To the extent any U.S. Asbestos Trust Subfund or Subfunds have separate liabilities to a single claimant based on Multiple Exposure Claims, each such Subfund shall pay the claimant its several share of the liquidated value of the separate claim or claims for which it is liable, subject to the applicable Payment Percentage, Maximum Annual Payment, Maximum Available Payment and Claims Payment Ratio limitations, if any, set forth below.

2.1(b)(1) T&N Subfund.

As provided in the Plan and U.S. Asbestos Trust Agreement, the T&N Subfund shall be liable for all T&N Subfund Claims, which are all Asbestos Trust Claims for which T&N and/or its subsidiaries or affiliates have legal responsibility, other than CVA Asbestos Claims.

For T&N Subfund Claims based on exposure to asbestos or asbestos-containing products within the U.S. or Canada, this U.S. TDP establishes an Expedited Review Process involving eight separate asbestos-related Disease Levels as well as three separate matrices of liquidated values for T&N Claims, Flexitallic Claims and Ferodo Claims, respectively, based on these Disease Levels. These matrices are set forth in Section 5.3(a)(1)(C) and Section 5.3(a)(3) below. T&N Subfund Claims based on exposure to asbestos or asbestos-containing products anywhere in the rest of the world (i.e., outside the U.S. or Canada) shall be treated as “Foreign Claims,” and shall be liquidated and paid solely pursuant to the Individual Review Process as provided in Section 5.3(a)(2).

The U.S. Asbestos Trust shall liquidate and pay claimants holding T&N Subfund Claims the liquidated value of their Asbestos Trust Claims solely from the assets of the T&N Subfund pursuant to the provisions in this U.S. TDP including the applicable Payment Percentages

described in Section 4.2 below (hence, such claims, together with FMP Claims, are referred to as “U.S. TDP Valued Claims”).

All provisions in this U.S. TDP and the Plan regarding treatment of T&N Subfund Claims shall be read in accordance with and subject to the provisions of this Section 2.1(b)(1), Section IX below and Article IV of the Plan.

2.1(b)(2) Insured U.S. Asbestos Trust Subfunds. The other three U.S. Asbestos Trust Subfunds that are subject to the terms of this U.S. TDP, e.g., the FMP Subfund, the Fel-Pro Subfund and the Vellumoid Subfund, shall be liable for Asbestos Trust Claims based on exposure within or outside the U.S. to asbestos-containing products produced, marketed, distributed, sold or utilized by (i) FMP, including asbestos-containing products manufactured or distributed by its predecessors, the Wagner Electric Corporation and Moog Automotive Inc., Abex Corporation and Pneumo Abex LLC and their predecessors (collectively “FMP Claims”); provided, however, that the FMP Subfund shall not be liable for Pneumo Asbestos Claims in the event that the Plan channels Pneumo Abex Claims against the Pneumo Protected Parties to the U.S. Asbestos Trust, (ii) Fel-Pro and (iii) Vellumoid. The assets of the FMP Subfund, the Fel-Pro Subfund and the Vellumoid Subfund (collectively, the “Insured U.S. Asbestos Trust Subfunds”) shall consist primarily of rights to obtain indemnity payments and costs of defense pursuant to insurance policies providing coverage for the asbestos-related liabilities payable from the respective Subfunds. Claimants holding Insured Asbestos Trust Claims (other than Pneumo Asbestos Claims against FMP) shall be paid from the proceeds of those insurance policies.

Claims payable from the FMP Subfund (other than Pneumo Asbestos Claims against FMP) shall also be treated as U.S. TDP Valued Claims inasmuch as they will be processed,

liquidated and paid pursuant to the provisions of this U.S. TDP, including the provisions relating to the applicable Payment Percentage described in Section 4.2 below. Accordingly, holders of such FMP Claims shall be eligible to elect to have their claims liquidated pursuant to the U.S. Asbestos Trust's Expedited Review Process, in which case the claims shall be eligible for the matrix values for FMP Claims set forth in Section 5.3(a)(3) below. Alternatively, holders of such FMP Claims may elect the U.S. Asbestos Trust's Individual Review Process as set forth below. Holders of Pneumo Asbestos Claims against FMP will not only be subject to the Individual Review Process but it is anticipated that the U.S. Asbestos Trust will contest its liability with respect to such claims on the ground that the Plan B Settlement has extinguished FMP's and the U.S. Asbestos Trust's liability for such claims.

Because of a lack of data concerning historical verdicts and settlement values for Fel-Pro and Vellumoid Claims, Asbestos Trust Claims payable from the Fel-Pro and Vellumoid Subfunds shall be liquidated in the tort system as described in Section 5.3(b) below. However, the U.S. Asbestos Trust may in appropriate circumstances, with the approval of the U.S. Asbestos Trust Advisory Committee (the "TAC") and the Legal Representative for Future Asbestos Claimants ("Future Claimants' Representative"), establish pursuant to Section 5.3(a)(1)(C) below Disease Levels, Medical/Exposure Criteria, and Scheduled, Average and/or Maximum Values for those Fel-Pro and Vellumoid Claims.

2.2 Claims Liquidation Procedures.

2.2(a) In General. All claimants holding an Asbestos Trust Claim must file the claim with the U.S. Asbestos Trust in accordance with the proof of claim provisions of Section 6.1. As discussed above, a claimant may assert more than one Asbestos Trust Claim based on exposure to asbestos or asbestos-containing products produced, marketed, distributed, sold or

utilized by more than one Federal-Mogul Entity; however, all such Multiple Exposure Claims must be filed by the claimant at the same time. Upon filing of the Asbestos Trust Claim or Claims, the claimant will be placed in a FIFO Processing Queue to be established by the U.S. Asbestos Trust pursuant to Section 5.1(a) below, and the claim or claims shall be processed, liquidated and paid as set forth below.

2.2(b) U.S. TDP Valued Claims.

The U.S. Asbestos Trust shall take all reasonable steps to resolve U.S. TDP Valued Claims payable from the limited resources of the T&N Subfund and/or the FMP Subfund as efficiently and expeditiously as possible at each stage of claims processing and arbitration. To this end, the U.S. Asbestos Trust, in its sole discretion, may conduct settlement discussions with claimants' representatives with respect to more than one claim at a time, provided that the claimants' respective positions in the relevant FIFO Processing and Payment Queues are maintained, and each claim is individually evaluated pursuant to the valuation factors set forth in Section 5.3(a)(2)(C) below. The U.S. Asbestos Trust shall also make every effort to resolve each year at least that number of U.S. TDP Valued Claims required to exhaust the Maximum Annual Payment and the Maximum Available Payment for "Category A Claims" and "Category B Claims" for the relevant Subfund, as those terms are defined below.

In general, to be eligible for payment, a U.S. TDP Valued Claim must involve one of the eight asbestos-related Disease Levels described in Section 5.3(a)(1)(C) below, seven of which have presumptive medical and exposure requirements ("Medical/Exposure Criteria") and established liquidated values. Because U.S. TDP Valued Claims involve separate streams of asbestos-related liabilities, separate matrices of liquidated values have been established for several of those separate streams of liabilities in Section 5.3(a)(3) below.

Because U.S. TDP Valued Claims of individuals exposed in Canada who were resident in Canada when such claims were filed were routinely litigated and resolved in the courts of the U.S., and because the resolution history of these claims has been included in developing the Expedited Review Process for such claims, such claims shall be eligible for liquidation under the Expedited Review Process and for the matrix values provided for T&N, Flexitallic, Ferodo and FMP Claims in Section 5.3(a)(3) below.

The Disease Levels, Medical/Exposure Criteria, Scheduled Values, Average Values and Maximum Values set forth in the matrices for U.S. TDP Valued Claims have all been derived with the intention of achieving a fair allocation of the assets held by the T&N Subfund and the FMP Subfund as among their respective claimants suffering from different disease processes in light of the best information available, considering historical settlement data and the rights that each group of claimants would have in the relevant tort system absent the Debtors' bankruptcies.

If the claimant so elects, the U.S. Asbestos Trust shall liquidate U.S. TDP Valued Claims that meet the presumptive Medical/Exposure Criteria of Disease Levels I – V, VII and VIII efficiently and expeditiously under the Expedited Review Process described in Section 5.3(a)(1) below. U.S. TDP Valued Claims involving Disease Levels I – V, VII and VIII that do not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level, as well as all Disease Level VI – Lung Cancer 2 Claims, Foreign Claims, and Pneumo Asbestos Claims against FMP Claims shall undergo the U.S. Asbestos Trust's Individual Review Process described in Section 5.3(a)(2) below. In such a case, notwithstanding that the claim does not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level, the U.S. Asbestos Trust can offer the claimant an amount up to the Scheduled Value of that Disease Level if the U.S. Asbestos Trust is

satisfied that the claimant has presented a claim that would be cognizable and valid in the relevant tort system.

Claimants holding U.S. TDP Valued Claims involving Disease Levels II – V and VII - VIII, may also seek to establish liquidated values for their claims that are greater than their Scheduled Values by electing the U.S. Asbestos Trust’s Individual Review Process. However, the liquidated values of U.S. TDP Valued Claims that undergo the Individual Review Process for valuation purposes may be determined to be less than the Scheduled Values. Further, the liquidated value of any U.S. TDP Valued Claims shall not exceed the Maximum Values for the Disease Levels set forth below, unless the claim qualifies as an Extraordinary Claim as defined in Section 5.4(a) below, in which case its liquidated value cannot exceed the maximum value for Extraordinary Claims specified in that provision.

The Scheduled Values and Maximum Values set forth below have been established for each of the Disease Levels that are eligible for Individual Review in light of applicable relevant tort law and current projections of present and future unliquidated claims, with the expectation that the combination of settlements at the Scheduled Values and those resulting from the Individual Review Process will result in the Average Values also set forth below. In any event, all payments to a claimant from the T&N Subfund or the FMP Subfund shall be subject to the Payment Percentage, Maximum Annual Payment, Maximum Available Payment and Claim Payment Ratio limitations that are in effect at the time of payment.

If a claimant elects to process Multiple Exposure Claims against the T&N Subfund, the claimant shall be notified when each such claim comes up in the FIFO Processing Queue. If the Expedited Review Process is selected for any such claim, and the claim meets the presumptive Medical/Exposure Criteria for the T&N Entity for which exposure is asserted, the

claimant shall be paid the Scheduled Value for the relevant Disease Level for each of the T&N Entities for which qualifying exposure is established. If the claimant seeks to process one or more Multiple Exposure Claims against the T&N Subfund under the U.S. Asbestos Trust's Individual Review Process, the claimant shall be paid the Subfund's separate liability for the liquidated value of the claim or claims determined under that process.

All unresolved disputes over a claimant's medical condition, exposure history and/or the liquidated value of a U.S. TDP Valued Claim shall be subject to Alternative Dispute Resolution ("ADR") Procedures to be adopted by the Trustees with the consent of the TAC and the Future Claimants' Representative. Any U.S. TDP Valued Claim that is the subject of a dispute with the U.S. Asbestos Trust that cannot be resolved by non-binding arbitration may enter the tort system as provided in Sections 5.11(a) and 7.6(a) below. However, if and when a holder of a U.S. TDP Valued Claim obtains a judgment in the tort system, the judgment will be payable (subject to the Payment Percentage, Maximum Available Payment, and Claims Payment Ratio provisions set forth below) only as provided in Section 7.7(a) below.

2.2(c) Fel-Pro and Vellumoid Claims. All Fel-Pro and Vellumoid Claims payable from insurance proceeds to be assigned to the U.S. Asbestos Trust for the benefit of the Fel-Pro and/or Vellumoid Subfunds shall be processed pursuant to the procedures set forth in Sections 5.3(b), 5.11(b) and 7.6(b) below. In such cases, it is anticipated that the applicable insurer or insurers shall either assume the defense of the claim or reimburse the U.S. Asbestos Trust for its costs of defense. In any event, all final judgments for money damages relating to a Fel-Pro and Vellumoid Claim shall be paid by the insurer or the corresponding Fel-Pro or Vellumoid Trust Subfund pursuant to Section 7.7(b) below.

2.3 Application of Payment Percentages. The assets of the T&N Subfund and the FMP Subfund over their lives are estimated to be substantially less than the aggregate liquidated values of the Asbestos Trust Claims anticipated to be asserted against them. Accordingly, holders of such U.S. TDP Valued Claims payable from the T&N Subfund and the FMP Subfund, other than claims involving Other Asbestos Disease (Disease Level I – Cash Discount Payment) as defined below, shall ultimately receive a pro-rata share of the value of their claim based on a Payment Percentage described in Section 4.2 below.

The Initial Payment Percentages for all U.S. TDP Valued Claims, including Pre-Petition Liquidated Claims as provided in Section 5.2 below, shall be set by the Trustees, the TAC and the Future Claimants’ Representative after the U.S. Asbestos Trust is established pursuant to the Plan, and sufficient information is available concerning the assets and liabilities of the respective Subfunds. The Initial Payment Percentages shall be calculated on the assumption that the Average Values set forth in Section 5.3(a)(3) for T&N Subfund Claims and FMP Claims will be achieved with respect to existing present claims and projected future claims involving Disease Levels II – VIII. However, the Payment Percentage applicable to any U.S. Asbestos Trust Subfund may be adjusted upwards or downwards from time to time pursuant to Section 4.2 below by the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants’ Representative to reflect then-current estimates of the assets and liabilities allocable to the Subfund.

The Initial Payment Percentages shall apply to all Asbestos Trust Voting Claims payable from the T&N Subfund and the FMP Subfund, unless adjusted by the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants’ 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 Trust Voting Claims” includes: (i) all Pre-Petition Liquidated Claims as defined in Section 5.2(a) below payable from the T&N Subfund or the FMP Subfund; (ii) all U.S. TDP Valued Claims filed against any Federal-Mogul Entity in the tort system or actually submitted to a Federal-Mogul Entity pursuant to an administrative settlement agreement entered into prior to the Petition Date of October 6, 2001; and (iii) all U.S. TDP Valued Claims filed against another defendant in the tort system prior to the date the Plan was filed with the Bankruptcy Court (November 20, 2006, the “Plan Filing Date”), provided, however, that (1) the holder of a claim described in subsection (i), (ii) or (iii) above, or his or her authorized agent, actually voted to accept or reject the Plan pursuant to the voting procedures established by the U.S. Bankruptcy Court (unless such holder certifies to the satisfaction of the Trustees that he or she was prevented from voting in this proceeding as a result of circumstances resulting in a state of emergency affecting, as the case may be, the holder’s residence, principal place of business or legal representative’s principal place of business at which the holder or his or her legal representative receives notice and/or maintains material records relating to his or her Asbestos Trust Voting Claim), and (2), the claim was subsequently filed with the U.S. Asbestos Trust pursuant to Section 6.1 below by the Initial Claims Filing Date as defined in Section 5.1(a) below.

Because neither the exact number or severity of claims by people who will submit claims in the future, nor the ultimate amount of the U.S. Asbestos Trust’s assets, can be calculated, no guarantee can be made of any Payment Percentage for any Asbestos Trust Claim. However, if

the Payment Percentage is increased over time, claimants whose claims were liquidated and paid in prior periods under the U.S. TDP may receive additional payments as provided in Section 4.2.

Because it is anticipated that the Fel-Pro and Vellumoid Claims will be passed through and paid by insurers to the extent available insurance coverage exists, no Initial Payment Percentage(s) for such claims have been set. However, the U.S. Asbestos Trust, with the consent of the TAC and the Future Claimants' Representative, may subsequently adopt a Payment Percentage for one or both such Subfunds in appropriate circumstances pursuant to Section 4.2 below.

2.4 Determination of the Maximum Annual Payment and Maximum Available Payment. Because the assets in the T&N Subfund and the FMP Subfund are estimated to be insufficient to pay the full liquidated value of all the Asbestos Trust Claims that are expected to be asserted against them, the U.S. Asbestos Trust shall calculate the amount of cash flow anticipated to be necessary over the entire life of the Subfunds to ensure that amounts will be available to treat all holders of present and future T&N Subfund Claims and FMP Claims as similarly as possible, given the assets and liabilities allocable to each Subfund. In each year, the U.S. Asbestos Trust will be empowered to pay out all of the income earned during the year by the respective Subfunds, together with a portion of the Subfund's principal, calculated so that the application of the Subfund's assets over its life shall correspond with the needs created by the anticipated flow of claims to the Subfund (the "Maximum Annual Payment"), taking into account the Payment Percentage provisions set forth in Sections 2.3 above and 4.2 below. The U.S. Asbestos Trust's distributions from the T&N Subfund and the FMP Subfund to all holders of claims against such Subfunds for that year shall not exceed the Maximum Annual Payment determined for that year.

In distributing the Maximum Annual Payment from the T&N Subfund and FMP Subfund, the U.S. Asbestos Trust shall first allocate the amount in question to outstanding Pre-Petition Liquidated Claims payable from the respective Subfunds and to liquidated T&N Subfund Claims and FMP Claims involving Disease Level I (Cash Discount Payment), in proportion to the aggregate value of each group of claims. The remaining portion of the Maximum Annual Payment (the “Maximum Available Payment”), if any, shall then be allocated and used to satisfy all other previously liquidated T&N Subfund Claims and FMP Claims, respectively, subject to the Claims Payment Ratio for the particular Subfund set forth in Section 2.5 below.

In the event there are insufficient amounts in the T&N Subfund or the FMP Subfund in any year to pay the total number of outstanding Pre-Petition Liquidated Claims and/or previously liquidated Disease Level I Claims, the available amounts allocated to that group of claims shall be paid to the maximum extent to claimants in the particular group based on their place in the respective Subfund’s FIFO Payment Queue. Claims in either group for which there are insufficient amounts in the Subfund shall be carried over to the next year and placed at the head of the FIFO Payment Queue for that Subfund.

Because it is anticipated that the Fel-Pro and Vellumoid Claims will be passed through and paid by insurers to the extent available insurance coverage exists, the U.S. Asbestos Trust does not anticipate setting a Maximum Annual Payment or Maximum Available Payment for such Subfunds. However, the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants’ Representative may set such payment limitations for the Subfund or Subfunds in question in appropriate circumstances.

2.5 Claims Payment Ratio. Because the assets available to pay T&N Subfund and FMP Claims are limited, a Claims Payment Ratio has been determined for the T&N Subfund and the FMP Subfund based on the T&N Entities' and FMP's claims settlement history and an estimate of present and future T&N Subfund Claims and FMP Claims that were unliquidated as of the Petition Date. For Asbestos Trust Claims payable from the T&N Subfund, the Claims Payment Ratio as of the Effective Date has been set at 60% for Category A claims, which consist of T&N Subfund Claims involving severe asbestosis and malignancies (Disease Levels IV – VIII) that were unliquidated as of the Petition Date, and at 40% for Category B claims, which are T&N Subfund Claims involving non-malignant Asbestosis or Pleural Disease (Disease Levels II and III) that were similarly unliquidated as of the Petition Date. For Asbestos Trust Claims payable from the FMP Subfund, the Claims Payment Ratio as of the Effective Date has been set at 79% for Category A claims and 21 % for Category B Claims. The Claims Payment Ratios for the T&N Subfund and the FMP Subfund shall not apply to any Pre-Petition Liquidated Claims or to any claims for Other Asbestos Disease (Disease Level I - Cash Discount Payment).

In each year, after the determination of the Maximum Available Payment described in Section 2.4 above, 60% and 79% of that amount will be available to pay Category A claims payable from the T&N Subfund and the FMP Subfund, respectively, and 40% and 21% shall be available to pay Category B claims payable from the T&N Subfund and the FMP Subfund, respectively, that have been liquidated since the Petition Date. In the event there are insufficient funds in any year in the T&N Subfund and/or the FMP Subfund 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 that Category based on their place in the Subfund's FIFO Payment Queue described in Section 5.1(c) below, which will be based upon the

date of claim liquidation. Claims for which there are insufficient funds allocated to the relevant Category shall be carried to the next year where they will be placed at the head of the Subfund's FIFO Payment Queue. If there are excess amounts in either or both Categories, because there is an insufficient amount of liquidated claims to exhaust the Maximum Available Payment amount for that Category or Categories, the excess amounts for either or both Categories will be rolled over and remain dedicated to the respective Category to which they were originally allocated for the particular Subfund.

The 60%/40% Claims Payment Ratio for the T&N Subfund and the 79%/21% Claims Payment Ratio for the FMP Subfund, together with this rollover provision, shall apply to all PI Trust Voting Claims as defined in Section 2.3 above (except Pre-Petition Liquidated Claims and Other Asbestos Disease claims (Disease Level I – Cash Discount Payment)), and shall not be amended until the second anniversary of the date the U.S. Asbestos Trust first accepts for processing proof of claim forms and other materials required to file a claim with the U.S. Asbestos Trust. Thereafter, these Claims Payment Ratios and their 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 against the T&N Subfund or the FMP Subfund resulting from the application of the Claims Payment Ratios, shall not, in and of itself, constitute such circumstances. In addition, an increase in the numbers of Category B claims against either Subfund beyond those predicted or expected shall not be considered as a factor in deciding whether to reduce the percentage allocated to Category A claims.

No Claims Payment Ratio has been set for the Fel-Pro and Vellumoid Subfunds because it is anticipated that the Fel-Pro and Vellumoid Claims will be passed through and paid by

insurers to the extent available insurance coverage exists. However, the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants' Representative may establish a Claims Payment Ratio for one or both of those Trust Subfunds in appropriate circumstances.

In considering whether to make any amendments to the Claims Payment Ratio and/or its rollover provisions for any U.S. Asbestos Trust Subfund, the Trustees shall also consider the reasons for which the Claims Payment Ratio and its rollover provisions were adopted, the settlement histories that gave rise to its calculation, and the foreseeability or lack of foreseeability of the reasons why there would be any need to make an amendment. In that regard, the Trustees 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 from either Category.

In any event, no amendment to the Claims Payment Ratio for any Subfund may be made without the consent of at least eighty percent of the TAC members and the consent of the Future Claimants' Representative pursuant to the consent process set forth in Sections 5.7(b) and 6.6(b) of the U.S. Asbestos Trust Agreement. However, the Trustees, with the consent of the TAC and the Future Claimants' Representative, may offer the option of a reduced Payment Percentage to holders of claims in either Category A or Category B against a Subfund in return for prompter payment by the Subfund (the "Reduced Payment Option").

2.6 Indemnity and Contribution Claims. Subject to Section 5.6 below, Asbestos Trust Claims for indemnity and contribution ("Indirect Asbestos Trust Claims") against any U.S. Asbestos Trust Subfund, if any, shall be subject to the same categorization, evaluation, and payment provisions under this U.S. TDP that the claim would have been subject to if it had been brought by the original claimant against the Subfund in question.

SECTION III

U.S. TDP Administration

3.1 U.S. Asbestos Trust Advisory Committee and Future Claimants'

Representative. Pursuant to the Plan and the U.S. Asbestos Trust Agreement, the U.S. Asbestos Trust and this U.S. TDP shall be administered by the Trustees in consultation with the TAC, which represents the interests of holders of present Asbestos Trust Claims against the U.S. Asbestos Trust, and the Future Claimants' Representative, who represents the interests of holders of Asbestos Trust Claims that will be asserted in the future against the U.S. Asbestos Trust. The Trustees shall obtain the consent of the TAC and the Future Claimants' Representative on any amendments to this U.S. TDP pursuant to Section 8.1 below, and on such other matters as are otherwise required below and in Section 2.2(f) of the U.S. Asbestos Trust Agreement. The Trustees shall also consult with the TAC and the Future Claimants' Representative on such matters as are provided below and in Section 2.2(e) of the U.S. Asbestos Trust Agreement. The initial members of the TAC and the initial Future Claimants' Representative are identified in the U.S. Asbestos Trust Agreement.

3.2 Consent and Consultation Procedures. In those circumstances in which consultation or consent of the TAC and Future Claimants' Representative is required, the Trustees will provide written notice to the TAC and the Future Claimants' Representative of the specific amendment or other action that is proposed. The Trustees will not implement such amendment nor take such action unless and until the parties have engaged in the Consultation Process described in Sections 5.7(a) and 6.6(a) of the U.S. Asbestos Trust Agreement, or the Consent Process described in Sections 5.7(b) and 6.6(b) of the U.S. Asbestos Trust Agreement, respectively.

SECTION IV

Payment Percentage; Periodic Estimates

4.1 Uncertainty of the T&N Entities' and FMP's Personal Injury Asbestos

Liabilities. As discussed above, neither the exact amount of the T&N Entities' and FMP's total asbestos-related liabilities nor the total amount of assets that will be available to the U.S.

Asbestos Trust to pay those liabilities can be calculated with certainty. Consequently, there is inherent uncertainty regarding the amounts that holders of claims payable from the T&N Subfund or from the FMP Subfund will receive. To seek to ensure substantially equivalent treatment of all present and future claims against the T&N Subfund and the FMP Subfund, the Trustees must determine from time to time the percentage of full liquidated value that holders of claims against the Subfunds will be likely to receive, *i.e.*, the "Payment Percentages" described in Section 2.3 above and Section 4.2 below.

4.2 Computation of Payment Percentage. As described in Section 2.3 above, the Initial Payment Percentages for Asbestos Trust Claims to be paid from the T&N Subfund and the FMP Subfund shall be set by the Trustees with the consent of the TAC and the Future Claimants' Representative after the U.S. Asbestos Trust is established and more information is available concerning the liabilities and assets of the two Subfunds. The Initial Payment Percentages established for each of the T&N Subfund and the FMP Subfund shall apply respectively to all Asbestos Trust Voting Claims (except Other Asbestos Disease Claims (Disease Level I - Cash Discount Payment) to be paid from such Subfunds.

Except with respect to PI Trust Voting Claims to which the Initial Payment Percentages applies, the Payment Percentages for the T&N Subfund and the FMP Subfund shall be subject to change pursuant to the terms of this U.S. TDP and the U.S. Asbestos Trust Agreement if the

Trustees, with the consent of the TAC and the Future Claimants' Representative, determine that an adjustment is required. In addition, the Trustees may adopt a Payment Percentage for any one or more of the other U.S. Asbestos Trust Subfunds, with the consent of the TAC and the Future Claimants' Representative, if circumstances so warrant. No less frequently than once every three years, commencing with the first day of January occurring after the Plan is consummated, the Trustees shall reconsider the then applicable Payment Percentage(s) to assure that each percentage is based on accurate, current information and may, after such reconsideration, and shall change the percentage for any Subfund if necessary with the consent of the TAC and the Future Claimants' Representative.

The Trustees shall also reconsider the then applicable Payment Percentage for any U.S. Asbestos Trust Subfund at shorter intervals if they deem such reconsideration to be appropriate or if requested to do so by the TAC or the Future Claimants' Representative. The Trustees must base their determination of the Payment Percentage(s) on then-current estimates of the number, types, and values of present and future Asbestos Trust Claims against the various Subfunds, the value of the assets then available to the Subfunds for their payment, all anticipated administrative and legal expenses of the Subfunds, and any other material matters that are reasonably likely to affect the sufficiency of a Subfund's assets to pay a comparable percentage of full liquidated value to all holders of claims against the Subfund.

When making these determinations, the Trustees shall exercise common sense and flexibly evaluate all relevant factors. The Payment Percentage(s) applicable to Category A or Category B claims asserted against any U.S. Asbestos Trust Subfund for which a Claims Payment Ratio has been adopted may not be reduced to alleviate delays in payments of claims in the other Category; both Categories will receive the same Payment Percentage, but the payment

from any Subfund may be deferred as needed pursuant to Section 7.3 below, and a Reduced Payment Option may be instituted for any Subfund as described in Section 2.5 above.

There is uncertainty surrounding the amount of the U.S. Asbestos Trust's future assets. There is also uncertainty surrounding the totality of the Asbestos Trust Claims to be paid over time by the U.S. Asbestos Trust as well as the extent to which changes in existing federal and/or state law could affect the U.S. Asbestos Trust's liabilities under this U.S. TDP. If the value of the U.S. Asbestos Trust's future assets increases significantly and/or if the value or volume of Asbestos Trust Claims actually filed with the U.S. Asbestos Trust is significantly lower than originally estimated, the U.S. Asbestos Trust shall use those proceeds and/or claims savings, as the case may be, first to maintain the Payment Percentage or Percentages then in effect.

If the Trustees, with the consent of the TAC and the Future Claimants' Representative, make a determination to increase a Payment Percentage for either the T&N or FMP Subfunds due to a material change in the estimates of the respective Subfund's future assets and/or liabilities, the U.S. Asbestos Trust's shall also make supplemental payments to all claimants who previously liquidated their claims against the respective Subfund 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 (excluding the portion of such previously paid amounts that was attributable to interest paid pursuant to Section 7.5 below).

The U.S. Asbestos Trust's obligation to make a supplemental payment to a claimant shall be suspended in the event the payment in question would be less than \$100.00, 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

\$100.00. However, the U.S. Asbestos Trust's obligation shall resume and the U.S. Asbestos Trust's shall pay any such aggregate supplemental payments due the claimant at such time that the total exceeds \$100.00.

Because it is anticipated that the Fel-Pro and Vellumoid Claims will be passed through and paid by insurers to the extent available coverage exists, no Initial Payment Percentages for those Subfunds have been set. However, the U.S. Asbestos Trust may subsequently, with the consent of the TAC and the Future Claimants' Representative, adopt a Payment Percentage for one or both Subfunds in appropriate circumstances.

4.3 Applicability of the Payment Percentages. Except as set forth above in Section 4.2 with respect to supplemental payments, no holder of an Asbestos Trust Claim that qualifies as an Asbestos Trust Voting Claim, other than an Asbestos Trust Claim for Other Asbestos Disease (Disease Level I - Cash Discount Payment) as defined in Section 5.3(a)(1)(C)), below shall receive a payment that exceeds the applicable Payment Percentage, if any, times the liquidated value of the claim. Except as otherwise provided in Section 5.1(c) below for Asbestos Trust Claims involving deceased or incompetent claimants for which approval of the U.S. Asbestos Trust's offer by a court or through a probate process is required, no holder of any other Asbestos Trust Claim, other than a claim for Other Asbestos Disease (Disease Level I - Cash Discount Payment), shall receive a payment that exceeds the liquidated value of the claim times the Payment Percentage in effect at the time the offer is made, if any. U.S. TDP Valued Claims involving Other Asbestos Disease (Disease Level I - Cash Discount Payment) shall not be subject to a Payment Percentage, but shall instead be paid the full amount of their Scheduled Values as set forth in Section 5.3(a)(3) below.

If a redetermination of any U.S. Asbestos Trust Subfund's Payment Percentage has been proposed in writing by the Trustees to the TAC and the Future Claimants' Representative but has not yet been adopted, the claimant shall receive the lower of the U.S. Asbestos Trust Subfund's current Payment Percentage or the proposed Payment Percentage. However, if the proposed Payment Percentage for the U.S. Asbestos Trust Subfund was the lower amount but was 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 for the Subfund was the higher amount and was subsequently adopted, the claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount.

SECTION V

Resolution of Asbestos Trust Claims

5.1 Ordering, Processing and Payment of Asbestos Trust Claims.

5.1(a) Ordering of Asbestos Trust Claims.

5.1(a)(1) Establishment of FIFO Processing Queue. The U.S. Asbestos Trust will order separately all Asbestos Trust Claims sufficiently complete to be reviewed that are payable from any U.S. Asbestos Trust Subfund on a FIFO basis except as otherwise provided herein (the "FIFO Processing Queues"). For all such claims filed on or before the date six months after the date the U.S. Asbestos Trust first makes available the materials required to file an Asbestos Trust Claim (the "Initial Claims Filing Date"), a claimant's position in the relevant Subfund's FIFO Processing Queue shall be determined as of the earliest of (i) the date prior to the Petition Date (if any) that the specific claim was either filed against any Federal-Mogul Entity in the relevant tort system or was actually submitted to any Federal-Mogul Entity or its

agent pursuant to an administrative settlement agreement; (ii) the date before the Petition Date that the claim was filed against another asbestos defendant in the relevant tort system if at the time the claim was subject to a tolling agreement with any Federal-Mogul entity; (iii) the date after the Petition Date, if any, but before the Initial Claims Filing Date that the claim was filed against another asbestos defendant in the relevant tort system; (iv) the date after the Petition Date but before the Effective Date a proof of claim was filed against Federal-Mogul in its Chapter 11 case; or (v) the date a ballot was submitted by the claimant or his or her authorized agent in Federal-Mogul's Chapter 11 case for purposes of voting on the Plan in accordance with the voting procedures adopted by the U.S. Bankruptcy Court.

Following the Initial Claims Filing Date, a claimant's position in the Subfund's FIFO Processing Queue shall be determined by the date the claim or claims were filed with the U.S. Asbestos Trust. If any claims are filed on the same date, the claimant's position in the FIFO Processing Queue shall be determined by date of the claimant's diagnosis of asbestos-related disease. If any claims are filed and diagnosed on the same date, the claimant's position in the relevant FIFO Processing Queue shall be determined by the date of the claimant's birth, with older claimants given priority over younger claimants.

5.1(a)(2) Effect of Statutes of Limitation and Repose. All unliquidated Asbestos Trust Claims must meet either (i) for claims first filed in the relevant tort system against any Federal-Mogul Entity prior to the Petition Date, the applicable federal, state or foreign statute of limitation or repose that was in effect at the time of the filing of the claim in the relevant tort system, or (ii) for claims that were not filed against any Federal-Mogul Entity in the relevant tort system prior to the Petition Date, the applicable statute of limitation that was in effect at the time of the filing with the U.S. Asbestos Trust.

However, the running of the relevant statute of limitation shall be tolled as of the earliest of (A) the actual filing of the claim against any Federal-Mogul Entity prior to the Petition Date, whether in the relevant tort system or by submission of a claim to a Federal-Mogul Entity or its agent pursuant to an administrative settlement agreement; (B) the filing of the claim against another defendant in the relevant tort system prior to the Petition Date if the claim was tolled against any Federal-Mogul Entity at the time by an agreement or otherwise; (C) the filing of the claim after the Petition Date but prior to the Initial Claims Filing Date against another defendant in the relevant tort system; (D) the filing of a proof of claim form in Federal-Mogul's Chapter 11 proceeding; (E) the filing of a ballot by the claimant or his or her authorized agent in the U.S. Bankruptcy Court for purposes of voting on the Plan in accordance with the voting procedures adopted by the U.S. Bankruptcy Court; and (F) the filing of a proof of claim with the requisite supporting documentation with the U.S. Asbestos Trust after the Initial Claims Filing Date.

If an Asbestos Trust Claim meets any of the tolling provisions described in the preceding sentence and was not barred by the applicable statute of limitation at the time of the tolling, it will be treated as timely filed if it is actually filed with the U.S. Asbestos Trust within three (3) years after the Initial Claims Filing Date. Also, any claims that were first diagnosed after the Petition Date, irrespective of the application any relevant statute of limitation or repose applicable in the United States, may be filed with the U.S. 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. However, the processing of any Asbestos Trust Claim by the U.S. Asbestos Trust may be deferred at the election of the claimant pursuant to Section 6.3 below.

5.1(b) Processing of Asbestos Trust Claims. As a general practice, the U.S. Asbestos Trust will review its claims files on a regular basis and notify all claimants whose

Asbestos Trust Claims are likely to come up in the U.S. Asbestos Trust's applicable FIFO Processing Queue in the near future. However, Asbestos Trust Claims that were not filed (i) against any Federal-Mogul Entity in the relevant tort system or actually submitted to a Federal-Mogul Entity or its agent pursuant to an administrative settlement agreement prior to the Petition Date, or (ii) against another asbestos defendant in the relevant tort system prior to the Plan Filing Date, shall not be processed until after the Initial Claims Filing Date.

5.1(c) Payment of Asbestos Trust Claims. Asbestos Trust Claims that have been liquidated by the Expedited Review Process as provided in Section 5.3(a)(1) below, by the Individual Review Process as provided in Section 5.3(a)(2) below, by arbitration as provided in Section 5.10 below, or by litigation in the relevant tort system provided in Section 5.11(a) below, shall be paid in FIFO order from the relevant Subfund based on the date their liquidation became final (the "FIFO Payment Queue"), all such payments being subject to the applicable Payment Percentages, the Maximum Available Payment, and the Claims Payment Ratio, except as otherwise provided herein. Pre-Petition Liquidated Claims, as defined in Section 5.2 below, shall be subject to the Maximum Annual Payment and Payment Percentage limitations, but not to the Maximum Available Payment and Claims Payment Ratio provisions set forth above. Insured Asbestos Trust Claims that are to be liquidated in the tort system shall also be placed in FIFO Payment Queues to be established for each of the Insured U.S. Asbestos Trust Subfunds, and paid pursuant to Section 7.7(b). The date of liquidation for such claims shall be the date of the final judgment or settlement.

Where a holder of an Asbestos Trust Claim payable from the T&N Subfund or the FMP Subfund 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 the probate process prior to acceptance

of the claim by the claimant's representative, an offer made by the U.S. Asbestos Trust on the claim shall remain open so long as proceedings in that court or in the probate process remain pending, provided that the U.S. Asbestos Trust has been furnished with evidence that the settlement offer has been submitted to such court or in the probate process for approval. If the offer is ultimately approved by the court or through the probate process and is accepted by the claimant's representative, the U.S. Asbestos Trust shall pay the claim from the relevant Subfund in the amount so offered multiplied by the Payment Percentages in effect for the Subfund at the time the offer was first made, subject to the redetermination provisions set forth in Section 4.3 above. The date of liquidation for such claims shall be the date the claimant first accepted the offer by the U.S. Asbestos Trust that was approved by the court or in the probate process.

If any claims are liquidated on the same date, the claimant's position in a U.S. Asbestos Trust Subfund's FIFO Payment Queue shall be determined by the date of the diagnosis of the claimant's asbestos-related disease. If any claims are liquidated on the same date and the respective holders' asbestos-related diseases were diagnosed on the same date, those claimants' positions in a Subfund's FIFO Payment Queue shall be determined by the U.S. Asbestos Trust based on the dates of the claimants' birth, with older claimants given priority over younger claimants.

5.2 Resolution of Pre-Petition Liquidated Claims.

5.2(a) Processing and Payment – In General. As soon as practicable after the Effective Date, the U.S. Asbestos Trust shall pay from the relevant U.S. Asbestos Trust Subfund, upon submission by the claimant of the applicable U.S. Asbestos Trust proof of claim form for claims, together with all documentation required thereunder, all Asbestos Trust Claims that were liquidated by (i) a binding settlement agreement for the particular claim entered into prior to the

Petition Date with a Federal-Mogul Entity or its agent that is judicially enforceable by the claimant, (ii) a jury verdict or non-final judgment in the relevant tort system obtained against a Federal-Mogul Entity prior to the Petition Date, or (iii) by a judgment against a Federal-Mogul Entity that became final and non-appealable prior to the Petition Date (collectively “Pre-Petition Liquidated Claims”). In order to receive payment from the relevant Subfund, the holder of a Pre-Petition Liquidated Claim must submit all documentation necessary to demonstrate to the relevant Subfund that the claim was liquidated in the manner described in (i), (ii) or (iii), which documentation shall include (A) a court authenticated copy of the jury verdict, a non-final judgment or a final judgment if applicable and (B) the name, social security number and date of birth of the claimant and the name and address of the claimant’s lawyer, if any.

The liquidated value of a Pre-Petition Liquidated Claim shall be 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, plus interest, if any, that has accrued on that amount in accordance with the terms of the agreement, if any, or under applicable state or foreign law for settlements or judgments as of the Petition Date. However, the liquidated value of a Pre-Petition Liquidated Claim shall not include any punitive or exemplary damages except as otherwise provided in Section 7.4 below. In addition, 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 the Maximum Available Payment limitations, but shall be subject to the Maximum Annual Payment and Payment Percentage provisions. In the absence of a Final Order of the Bankruptcy Court determining whether a settlement agreement is binding and judicially enforceable, a dispute between the claimant and the US Asbestos Trust over this issue shall be resolved pursuant to the

same procedures in this U.S. TDP that are provided for resolving the validity and/or liquidated value of an Asbestos Trust Claim (i.e., arbitration and litigation in the tort system as set forth in Sections 5.10 and 5.11 below).

In the absence of a Final Order of the Bankruptcy Court determining whether a settlement agreement is binding and judicially enforceable, a dispute between the claimant and the U.S. Asbestos Trust over this issue shall be resolved pursuant to the same procedures in this U.S. TDP that are provided for resolving the validity and/or liquidated value of an Asbestos Trust Claim (i.e., arbitration and litigation in the tort system as set forth in Sections 5.10 and 5.11 below).

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

5.2(a)(1) Pre-Petition Liquidated T&N Subfund Claims and FMP Claims. Pre-Petition Liquidated T&N Subfund Claims and FMP Claims shall be processed and paid from the T&N Subfund or the FMP Subfund, respectively, in accordance with their order in separate FIFO queues to be established by the U.S. Asbestos Trust for each such Subfund based on the date the U.S. Asbestos Trust received a completed proof of claim form with all required documentation for the particular claim or claims. However, the amounts payable with respect to such claims shall not be subject to or taken into account in consideration of the Claims Payment Ratio, but shall be subject to the Maximum Annual Payment and Payment Percentage provisions set forth above.

5.2(a)(2) Insured Pre-Petition Liquidated Claims. Pre-Petition Liquidated Claims payable from the Fel-Pro or Vellumoid Subfunds shall be tendered by the U.S. Asbestos Trust to the relevant insurer or insurers for payment.

5.2(b) Marshalling of Security. Holders of Pre-Petition Liquidated 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 U.S. Asbestos Trust. Only in the event that such security or surety is insufficient to pay the Pre-Petition Liquidated Claim in full shall the deficiency be processed and paid as a Pre-Petition Liquidated Claim.

5.3 Resolution of Unliquidated Asbestos Trust Claims.

5.3(a) U.S. TDP Valued Claims. Within six months after the establishment of the U.S. Asbestos Trust, the Trustees, with the consent of the TAC and the Future Claimants' Representative, shall adopt procedures for reviewing and liquidating all unliquidated U.S. TDP Valued Claims, which shall include deadlines for processing such claims. Such procedures shall also require that claimants seeking resolution of unliquidated U.S. TDP Valued Claims must 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.

The proof of claim form shall require the claimant to assert his or her claim for the highest Disease Level for which the claim qualifies at the time of filing. Irrespective of the Disease Level alleged on the proof of claim form, all claims filed with the U.S. Asbestos Trust shall be deemed to be a claim for the highest Disease Level 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 subsumed into the higher Disease Level for both processing and payment purposes.

Upon filing of a valid proof of claim form with the required supporting documentation, the claimant shall be placed in the FIFO Processing Queue in accordance with the ordering criteria described in Section 5.1(a) above. The U.S. Asbestos Trust shall provide the claimant with six-months notice of the date by which it expects to reach the claim in the FIFO Processing Queue, following which the claimant shall promptly (i) advise the U.S. Asbestos Trust whether the claim should be liquidated under the U.S. Asbestos Trust's Expedited Review Process described in Section 5.3(a)(1) below or, in certain circumstances, under the U.S. Asbestos Trust's Individual Review Process described in Section 5.3(a)(2) below; (ii) provide the U.S. Asbestos Trust with any additional medical and/or exposure evidence that was not provided with the original claim submission; and (iii) advise the U.S. Asbestos Trust of any change in the claimant's Disease Level. If a claimant fails to respond to the U.S. Asbestos Trust's notice prior to the reaching of the claim in the FIFO Processing Queue, the U.S. Asbestos Trust will process and liquidate the claim under the Expedited Review Process based upon the medical/exposure evidence previously submitted by the claimant, although the claimant shall retain the right to request Individual Review as described in Section 5.3(a)(2) below.

5.3(a)(1) Expedited Review Process.

5.3(a)(1)(A) In General. The U.S. Asbestos Trust's Expedited Review Process is designed primarily to provide an expeditious, efficient and inexpensive method for liquidating all U.S. TDP Valued Claims, except those claims involving Disease Level VI - Lung Cancer 2 Claims, Foreign Claims, or Pneumo Asbestos Claims against FMP, in cases in which the claim can easily be verified by the U.S. Asbestos Trust as meeting the presumptive

Medical/Exposure Criteria for the relevant Disease Level. Expedited Review thus provides qualifying claimants with a substantially less burdensome process for pursuing U.S. TDP Valued Claims than does the Individual Review Process described in Section 5.3(a)(2) below. Expedited Review is also intended to provide qualifying claimants a fixed and certain liquidated claim value.

All Disease Level VI - Lung Cancer 2, Foreign Claims and Pneumo Asbestos Claims against FMP, must be liquidated pursuant to the U.S. Asbestos Trust's Individual Review Process described in Section 5.3(a)(2) below. Because U.S. TDP Valued Claims of individuals exposed in Canada who were resident in Canada when such claims were filed were routinely litigated and resolved in the courts of the U.S., and because the resolution history of these claims has been included in developing the Expedited Review Process for T&N, Flexitallic, Ferodo and FMP Claims, Canadian claims shall not be treated as Foreign Claims, but instead shall be eligible for liquidation under the Expedited Review Process and for the matrix values provided such claims in Section 5.3(a)(3) below.

U.S. TDP Valued Claims, including Multiple Exposure Claims, that undergo Expedited Review and meet the presumptive Medical/Exposure Criteria for the relevant Disease Level shall be liquidated at the Scheduled Value for such Disease Level set forth in Section 5.3(a)(3) below for the particular Federal-Mogul Entity. However, except for U.S. TDP Valued Claims involving Other Asbestos Disease (Disease Level I), all claims liquidated by Expedited Review shall be subject to the applicable Payment Percentage, and the Maximum Annual Payment, the Maximum Available Payment, and the Claims Payment Ratio limitations. Claimants holding U.S. TDP Valued Claims that (i) cannot be liquidated by Expedited Review because they do not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level or (ii) have

otherwise failed to qualify for payment through the Expedited Review Process may elect the U.S. Asbestos Trust's Individual Review Process set forth in Section 5.3(a)(2) below. Claimants holding T&N Multiple Exposure Claims may also elect Expedited Review for one or more of those claims.

Subject to the provisions of Section 5.8, the claimant's eligibility to receive the Scheduled Value for his or her U.S. TDP Valued 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)(1)(B) Claims Processing Under Expedited Review. All claimants seeking liquidation of their U.S. TDP Valued Claims pursuant to Expedited Review shall file the U.S. Asbestos Trust's proof of claim forms. As the proof of claim form is reached in the FIFO Processing Queue, the U.S. Asbestos Trust shall determine whether the claim or claims described therein meets the Medical/Exposure Criteria for one of the seven Disease Levels eligible for Expedited Review, and shall advise the claimant of its determination. If a Disease Level is determined, the U.S. Asbestos Trust shall tender to the claimant an offer of payment from the T&N and/or FMP Subfund of the Scheduled Value (or Values in the case of Multiple Exposure Claims) for the relevant Disease Level multiplied by the applicable Payment Percentage, together with a form of release approved by the U.S. Asbestos Trust. If the claimant accepts the Scheduled Value (as adjusted by the Payment Percentage) and returns the release properly executed, the claim shall be placed in the Subfund's FIFO Payment Queue, following which the U.S. Asbestos Trust shall disburse payment subject to the limitations of the Maximum Available Payment and the Claims Payment Ratio, if any.

5.3(a)(1)(C) Disease Levels and Medical/Exposure Criteria. The eight Disease Levels covered by this U.S. TDP, together with the Medical/Exposure Criteria for each, are set forth below. The separate Scheduled Values for the seven Disease Levels eligible for Expedited Review, together with the other matrix values for all Disease Levels, are set forth in Section 5.3(a)(3) below. These Disease Levels, Scheduled Values, and Medical/Exposure Criteria shall apply to all Asbestos Trust Voting Claims (except Pre-Petition Liquidated Claims) that are filed with the U.S. Asbestos Trust on or before the Initial Claims Filing Date provided in Section 5.1(a)(1) above.

Thereafter, for all Asbestos Trust Claims, with the consent of the TAC and the Future Claimants' Representative, the Trustees may add to, change or eliminate Disease Levels, Scheduled Values, or Medical/Exposure Criteria; develop subcategories of Disease Levels, Scheduled Values or Medical/Exposure Criteria; or determine that a novel or exceptional asbestos personal injury claim is compensable even though it does not meet the Medical/Exposure Criteria for any of the then current Disease Levels.

Disease Levels and Presumptive Medical/Exposure Criteria

<u>Disease Level</u>	<u>Presumptive Medical/Exposure Criteria</u>
Mesothelioma (Level VIII)	(1) Diagnosis ² of mesothelioma; and (2) evidence of Federal-Mogul Exposure (as defined in Section 5.7(b)(3)).
Lung Cancer 1 (Level VII)	(1) Diagnosis of a primary lung cancer plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease ³ , (2) six months

² The requirements for a diagnosis of an asbestos-related disease that may be compensated under the provisions of this U.S. TDP are set forth in Section 5.7(a) below.

³ Evidence of "Bilateral Asbestos-Related Nonmalignant Disease" for purposes of meeting the criteria for establishing Disease Levels I, II, III, V, and VII, means either (i) a chest X-ray read by a qualified B-reader of 1/0 or higher on the ILO scale 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 pleural plaques, bilateral pleural thickening, or bilateral pleural calcification. Evidence submitted to demonstrate

Lung Cancer 2 (Level VI)

Federal-Mogul Exposure prior to December 31, 1982, (3) Significant Occupational Exposure to asbestos,⁴ and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question.

(1) Diagnosis of a primary lung cancer; (2) Federal-Mogul Exposure prior to December 31, 1982, and (3) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question.

Lung Cancer 2 (Level VI) claims are claims that do not meet the more stringent medical and/or exposure requirements of Lung Cancer 1 (Level VII) claims. All claims in this Disease Level will be individually evaluated.

Level VI claims that show no evidence of either an underlying Bilateral Asbestos-Related Non-malignant Disease or Significant Occupational Exposure may be individually evaluated, although it is not expected that such claims will be treated as having any significant value, especially if the

(i) or (ii) above must be in the form of a written report stating the results (*e.g.*, an ILO report or a pathology report). Solely for claims filed against Federal-Mogul or another asbestos defendant in the tort system prior to the Petition Date, if an ILO reading is not available, either (i) a chest x-ray or a CT scan read by a Qualified Physician, or (ii) pathology, in each case showing bilateral interstitial fibrosis, bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification consistent with, or compatible with, a diagnosis of asbestos-related disease shall be evidence of a Bilateral Asbestos-Related Nonmalignant Disease for purposes of meeting the presumptive medical requirements of Disease Levels I, II, III, V and VII. Proof of 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). For all purposes of this TDP, a "Qualified Physician" is a physician who is board certified (or in the case of Canadian claims or 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, subject to the provisions of Section 5.8, that the requirement for board certification in this provision shall not apply to otherwise qualified physicians whose x-rays and/or CT scan readings are submitted for deceased holders of Asbestos Trust Claims.

⁴ "Significant Occupational Exposure" is defined in Section 5.7(b)(2) below.

Other Cancer (Level V)	claimant is also a Smoker. ⁵ In any event, no presumption of validity will be available for any claims in this category. (1) Diagnosis of a primary colo-rectal, laryngeal, esophageal, pharyngeal, or stomach cancer, plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease, (2) six months Federal-Mogul Exposure prior to December 31, 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the other cancer in question.
Severe Asbestosis (Level IV)	(1) Diagnosis of asbestosis with ILO of 2/1 or greater, or asbestosis determined by pathological evidence of asbestos, plus either (i) TLC less than 65%, or (ii) FVC less than 65% and FEV1/FVC ratio greater than 65%, (2) six months Federal-Mogul Exposure prior to December 31, 1982, (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.
Asbestosis/Pleural Disease (Level III)	(1) Diagnosis of a Bilateral Asbestos-Related Non-malignant Disease, plus (a) TLC less than 80%, or (b) FVC less than 80% and FEV1/FVC ratio greater than or equal to 65%, (2) six months Federal-Mogul Exposure prior to December 31, 1982, (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.
Asbestosis/Pleural Disease (Level II)	(1) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease, (2) six months Federal-

⁵ There is no distinction between Non-Smokers and Smokers for either Lung Cancer 1 (Level VII) or Lung Cancer 2 (Level VI), although a claimant who meets the more stringent requirements of Lung Cancer 1 (Level VII) (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 U.S. Asbestos Trust. In such a case, absent circumstances that would otherwise reduce the value of the claim, it is anticipated that the liquidated value of the claim might well exceed the Scheduled Value for Lung Cancer 1 (Level VII) claims shown in the matrix set forth in Section 5.3(a)(3) for the relevant subfund. “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.

Other Asbestos Disease (Level I)

Mogul Exposure prior to December 31, 1982, and (3) five years cumulative occupational exposure to asbestos.

(1) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease or an asbestos-related malignancy other than mesothelioma, and (2) Federal-Mogul Exposure prior to December 31, 1982.

5.3(a)(2) Individual Review Process

5.3(a)(2)(A) Review of Medical/Exposure Criteria. The U.S. Asbestos Trust's Individual Review Process provides a claimant with an opportunity for individual consideration and evaluation of a U.S. TDP Valued Claim or Claims, that fail to meet the presumptive Medical/Exposure Criteria for Disease Levels I – V, and VII-VIII. In any such case, the U.S. Asbestos Trust shall either deny the claim, or, if the U.S. Asbestos Trust is satisfied that the claimant has presented a claim that would be cognizable and valid in the relevant tort system, the U.S. Asbestos Trust can offer the claimant a liquidated value amount up to the Scheduled Value for that Disease Level, unless the claim qualifies as an Extraordinary Claim as defined in Section 5.4(a) below, in which case its liquidated value cannot exceed the maximum value for such a claim.

For purposes of the Individual Review Process, the Trustees, with the consent of the TAC and the Future Claimants' 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 Foreign Claims; however, that such criteria, standards or requirements shall not effectuate substantive changes to the claims eligibility requirements under this U.S. 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.

5.3(a)(2)(B) Review of Liquidated Value. Claimants holding U.S. TDP Valued Claims involving Disease Levels II – VIII, as well as all claimants holding Foreign Claims, shall also be eligible to seek Individual Review of the liquidated value of their claims as well as Medical/Exposure Evidence. The Individual Review Process is intended to result in payments from the U.S. Asbestos Trust Subfunds equal to the full liquidated value for each claim multiplied by the applicable Payment Percentage; however, the liquidated value of any U.S. TDP Valued Claim that undergoes Individual Review may be determined to be less than the Scheduled Value the claimant would have received under Expedited Review.

Moreover, the liquidated value for a U.S. TDP Valued Claim involving Disease Levels II – VIII shall not exceed the Maximum Value for the relevant Disease Level set forth in Section 5.3(a)(3) below, unless the claim meets the requirements of an Extraordinary Claim described in Section 5.4(a) below, in which case its liquidated value cannot exceed the maximum value set forth in that provision for such claims. Because the detailed examination and valuation process pursuant to Individual Review requires substantial time and effort, claimants electing to undergo the Individual Review Process may be paid the liquidated value of their U.S. TDP Valued Claims later than would have been the case had the claimant elected the Expedited Review Process. Subject to the provisions of Section 5.8, the U.S. Asbestos Trust shall devote reasonable resources to the review of all claims to ensure that there is a reasonable balance maintained in reviewing all classes of claims.

5.3(a)(2)(C) Valuation Factors to Be Considered in Individual Review. The U.S. Asbestos Trust shall liquidate the value of each U.S. TDP Valued Claim that undergoes Individual Review based on the historic liquidated values of other similarly situated claims in the relevant tort system for the same Disease Level. The U.S. Asbestos Trust will thus

take into consideration all the factors that affect the severity of damages and values within the relevant tort system including, but not limited to (i) the degree to which the characteristics of a claim differ from the presumptive Medical/Exposure Criteria for the Disease Level in question; (ii) factors such as the claimant's age, disability, employment status, disruption of household, family or recreational activities, dependencies, special damages, and pain and suffering; (iii) evidence that the claimant's damages were (or were not) caused by asbestos exposure, including exposure to one or more asbestos-containing products of any Federal-Mogul Entity prior to December 31, 1982 (for example, alternative causes, alternative sources of exposure, and the strength of documentation of injuries); (iv) the industry of exposure; and (v) settlements, verdicts, and the claimant's and other law firms' experience in the Claimant's Jurisdiction for similarly situated claims.

For these purposes, the "Claimant's Jurisdiction" is the jurisdiction in which the claim was filed (if at all) against a T&N or FMP Entity in the relevant tort system prior to the Petition Date. If the claim was not filed against a T&N or FMP Entity in the relevant tort system prior to the Petition Date, the claimant may elect as the Claimant's Jurisdiction either (i) the jurisdiction in which the claimant resides at the time of diagnosis; (ii) the jurisdiction in which the claimant resides at the time the claim is filed with the U.S. Asbestos Trust; or (iii) a jurisdiction in which the claimant was exposed to asbestos or an asbestos-containing product manufactured or distributed by a T&N or FMP Entity.

With respect to the "Claimant's Jurisdiction" in the event a personal representative or authorized agent makes a claim under this U.S. TDP for wrongful death with respect to which the governing law of the Claimant's Jurisdiction could only be the Alabama Wrongful Death Statute, the Claimant's Jurisdiction for such claim shall be the Commonwealth of Pennsylvania,

and such claimant's damages shall be determined pursuant to the statutory and common laws of the Commonwealth of Pennsylvania without regard to its choice of law principles. The choice of law provision in Section 7.4 below applicable to any claim with respect to which, but for this choice of law provision, the applicable law of the Claimant's Jurisdiction pursuant to Section 5.3(b)(2) is determined to be the Alabama Wrongful Death Statute, shall only govern the rights between the U.S. Asbestos Trust and the claimant, and, to the extent the U.S. Asbestos Trust seeks recovery from any entity that provided insurance coverage to a Federal Mogul Entity, the Alabama Wrongful Death Statute shall govern.

5.3(a)(2)(D) Processing and Payment Limitations for U.S. TDP Valued Claims Involving Disease Levels III and II. The U.S. Asbestos Trust shall administer Individual Review for Disease Levels III and II so that Individual Review does not reduce payments to claimants electing the Scheduled Value for U.S. TDP Valued Claims under Expedited Review. As one means of implementing this requirement, the following shall apply for Disease Levels III and II claims:

5.3(a)(2)(D)(i) Disease Level III Claims. No more than 9% of Disease Level III claims paid in any year from the T&N Subfund or 10% of such claims from the FMP Subfund shall be allowed under Individual Review, and the total payments to such Disease Level III claims allowed under Individual Review shall be no more than 15% of payments to all Disease Level III claimants from the T&N Subfund and 15% of such payments from the FMP Subfund during any year. Disease Level III Claims that seek Individual Review but that cannot be processed or paid in a given year because of these limits shall be carried over to the next year and placed at the head of the appropriate processing or payment queue.

5.3(a)(2)(D)(ii) Disease Level II Claims. No more than 6% of Disease Level II claims paid in any year from the T&N Subfund or 20% of such claims from the FMP Subfund shall be allowed under Individual Review, and the total payments to such Disease Level II claims allowed under Individual Review shall be no more than 8% of payments to all Disease Level II claimants from the T&N Subfund and 17% of such payments from the FMP Subfund during any year. Disease Level II Claims that seek Individual Review but that cannot be processed or paid in a given year because of these limits shall be carried over to the next year and placed at the head of the appropriate processing or payment queue.

5.3(a)(3) Scheduled, Average and Maximum Values. Scheduled, Average and Maximum Values for all categories of U.S. TDP Valued Claims are set forth below.

T&N CLAIMS

<u>Scheduled Disease</u>	<u>Scheduled Value</u>	<u>Average Value</u>	<u>Maximum Value</u>
Mesothelioma (Level VIII)	\$200,000	\$250,000	\$600,000
Lung Cancer1 (Level VII)	\$ 42,500	\$ 60,000	\$125,000
Lung Cancer 2 (Level VI)	None	\$ 12,000	\$ 40,000
Other Cancer (Level V)	\$ 14,750	\$ 19,500	\$ 90,000
Severe Asbestosis (Level IV)	\$ 42,500	\$ 54,500	\$125,000
Asbestosis/Pleural Disease (Level III)	\$ 12,700	\$ 13,500	\$ 25,000
Asbestosis/Pleural Disease (Level II)	\$ 5,700	\$ 5,800	\$ 8,000
Other Asbestos Disease Cash Discount Payment (Level I)	\$ 400	None	None

FLEXITALLIC CLAIMS/FERODO CLAIMS

<u>Scheduled Disease</u>	<u>Scheduled Value</u>	<u>Average Value</u>	<u>Maximum Value</u>
Mesothelioma (Level VIII)	\$ 50,000	\$ 62,500	\$150,000
Lung Cancer 1 (Level VII)	\$ 10,625	\$ 15,000	\$ 31,250
Lung Cancer 2 (Level VI)	None	\$ 3,000	\$ 10,000
Other Cancer (Level V)	\$ 3,700	\$ 4,900	\$ 22,500
Severe Asbestosis (Level IV)	\$ 10,625	\$ 13,625	\$ 31,250
Asbestosis/Pleural Disease (Level III)	\$ 3,175	\$ 3,375	\$ 6,250
Asbestosis/Pleural Disease (Level II)	\$ 1,425	\$ 1,450	\$ 2,000
Other Asbestos Disease Cash Discount Payment (Level I)	\$ 100	None	None

FMP (OTHER THAN PNEUMO ASBESTOS CLAIMS) CLAIMS

<u>Scheduled Disease</u>	<u>Scheduled Value</u>	<u>Average Value</u>	<u>Maximum Value</u>
Mesothelioma (Level VIII)	\$100,000	\$125,000	\$300,000
Lung Cancer 1 (Level VII)	\$ 21,250	\$ 30,000	\$ 62,500
Lung Cancer 2 (Level VI)	None	\$ 6,000	\$ 20,000
Other Cancer (Level V)	\$ 7,375	\$ 9,750	\$ 45,000
Severe Asbestosis (Level IV)	\$ 21,250	\$ 27,250	\$ 62,500
Asbestosis/Pleural Disease (Level III)	\$ 4,000	\$ 4,250	\$ 7,000

Asbestosis/Pleural Disease (Level II)	\$ 2,000	\$ 2,100	\$ 2,500
Other Asbestos Disease Cash Discount Payment (Level I)	\$ 150	None	None

These Scheduled Values, Average Values and Maximum Values shall apply to all the respective categories of Asbestos Trust Voting Claims that are U.S. TDP Valued Claims (other than Pre-Petition Liquidated Claims) filed with the U.S. Asbestos Trust on or before the Initial Claims Filing Date as provided in Section 5.1(a)(1) above. Thereafter, the U.S. Asbestos Trust, with the consent of the TAC and the Future Claimants' Representative pursuant to Sections 5.7(b) and 6.6(b) of the U.S. Asbestos Trust Agreement, may change these valuation amounts, create additional matrices (such as for the Fel-Pro or Vellumoid Claims), or eliminate existing matrices, for good cause and consistent with other restrictions on the U.S. Asbestos Trust's amendment powers.

5.3(b) Processing and Payment of Fel-Pro and Vellumoid Claims. Fel-Pro and Vellumoid Claims shall be filed with the U.S. Asbestos Trust at the same time the claimant files any U.S. TDP Valued Claims on such proof of claim form or forms as the U.S. Asbestos Trust shall require. The U.S. Asbestos Trust shall place the claimant in its FIFO Processing Queue, and shall promptly tender the Insured Asbestos Trust Claim or Claims to the insurer or insurers who have coverage for the claim for settlement or litigation in the relevant tort system, unless the U.S. Asbestos Trust and the insurer or insurers have reached an agreement authorizing the U.S. Asbestos Trust to establish an administrative process for claims handling and resolution.

For any Insured Asbestos Trust Claims tendered to insurer(s), including Pre-Petition Liquidated Claims, for which the tender is accepted by the insurer(s), the insurer(s) will serve the function of the Trustees related to the determination of the liquidated value of the claim. For all Insured Asbestos Trust Claims for which tender is accepted, the insurer(s) shall also undertake the defense of the claim if the claimant chooses to exercise his or her rights to litigate the claim in the tort system pursuant to Sections 5.11(b) and 7.6(b) below.

Upon agreement between the insurer(s) handling the tendered claim and the claimant on the liquidated value of an Insured Asbestos Trust Claim that is covered by any available insurance coverage, the insurer(s) shall pay to the U.S. Asbestos Trust that liquidated value, subject to the terms of the relevant insurance policy. An insurer's payment of the claim's agreed liquidated value to the U.S. Asbestos Trust shall satisfy all of such insurer's obligations under its policy or policies to the claimant, and shall constitute payment of the entire claim by the insurer regardless of the actual payment the claimant receives from the U.S. Asbestos Trust in accordance with this U.S. TDP. The U.S. Asbestos Trust shall in turn pay the claimant either the full amount received from the insurer(s) or such other amount as may be due the claimant under this U.S. TDP, including amendments hereof. In any event, the U.S. Asbestos Trust shall be entitled to recover from the claimant its reasonable costs of prosecuting the claim against any insurer(s), as well as a reasonable amount to cover the administrative expenses incurred in processing, liquidating and paying the claim, whether or not the claim is ultimately paid by one or more insurer(s).

5.4 Categorizing U.S. TDP Valued Claims as Extraordinary and/or Exigent

5.4(a) Extraordinary Claims. "Extraordinary Claim" means a U.S. TDP Valued Claim that otherwise satisfies the Medical Criteria for Disease Levels II - VIII, and that

is held by a claimant whose exposure to asbestos (i) occurred predominately as the result of working in a manufacturing facility of a T&N or FMP Entity during a period in which the T&N or FMP Entity was manufacturing asbestos-containing products at that facility, or (ii) was at least 75% the result of exposure to asbestos or to an asbestos-containing product manufactured by a T&N or FMP Entity, and there is little likelihood of a substantial recovery elsewhere. All Extraordinary Claims shall be liquidated pursuant to the Individual Review Process and, if valid, shall be entitled to an award of up to a maximum value of five (5) times the Scheduled Value set forth in Section 5.3(a)(3) for claims qualifying for Disease Levels II – V, VII and VIII, and five (5) times the Average Value for claims in Disease Level VI, multiplied by the applicable Payment Percentage.

Any dispute as to Extraordinary Claim status shall be submitted to a special Extraordinary Claims Panel to be established by the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants' Representative. All decisions of the Extraordinary Claims Panel shall be final and not subject to any further administrative or judicial review. An Extraordinary Claim, following its liquidation, shall be placed in the T&N Subfund's or the FMP Subfund's FIFO Payment Queue, as appropriate, based on its date of liquidation ahead of all other liquidated claims payable from that Subfund except Pre-Petition Liquidated Claims, Disease Level I (Other Asbestos Disease) Claims, and Exigent Hardship Claims, which in that order shall be first in such queues and shall be subject to the Maximum Available Payment and Claims Payment Ratio described above.

5.4(b) Exigent Hardship Claims. At any time the U.S. Asbestos Trust may liquidate and pay U.S. TDP Valued Claims that qualify as Exigent Hardship Claims. Such claims may be considered separately no matter what the order of processing otherwise would

have been under this U.S. TDP. An Exigent Hardship Claim, following its liquidation, shall be placed first in the FIFO Payment Queue for the T&N Subfund or the FMP Subfund ahead of all other liquidated claims payable from the Subfund except Pre-Petition Liquidated Claims and Disease Level I (Other Asbestos Disease Claims) which shall be paid first in that order, and shall be subject to the Maximum Available Payment and Claims Payment Ratio described above. A U.S. TDP Valued Claim qualifies for payment as an Exigent Hardship Claim if the claim meets the Medical/Exposure Criteria for Severe Asbestosis (Disease Level IV) or an asbestos-related malignancy (Disease Levels V-VIII), and the U.S. Asbestos Trust, in its sole discretion, determines (i) that the claimant needs financial assistance on an immediate basis based on the claimant's expenses and all sources of available income, and (ii) 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 asserting a U.S. TDP Valued Claim alleges an asbestos-related disease resulting solely from exposure to an occupationally exposed person, such as a family member, the claimant must seek Individual Review of his or her claim pursuant to Section 5.3(a) above. In such a case, the claimant must establish that the occupationally exposed person would have met the presumptive exposure requirements under this U.S. TDP that would have been applicable had that person filed a direct claim against the U.S. Asbestos Trust. In addition, the claimant with secondary exposure must establish that he or she is suffering from one of the eight Disease Levels described in the presumptive medical criteria set forth in Section 5.3(a)(1)(C) above or in the case of Individual Review, the claimant must satisfy the U.S. Asbestos Trust that his or her claim would be cognizable and valid in the relevant tort system pursuant to Section 5.3(a)(2) above. In all cases, the claimant must show that his or her own exposure to the occupationally exposed person occurred within the same time

frame as the occupationally exposed person was exposed to asbestos products produced by the relevant Federal-Mogul Entity, and that such secondary exposure was a cause of the claimed disease. The U.S. Asbestos Trust's proof of claim form shall contain an additional section for Secondary Exposure Claims. All other liquidation and payment rights and limitations under this U.S. TDP shall be applicable to such Secondary Exposure Claims.

5.6 Indirect Asbestos Trust Claims. Indirect Asbestos Trust Claims asserted against the U.S. Asbestos Trust shall be treated as presumptively valid and paid by the U.S. Asbestos Trust subject to the applicable Payment Percentage if (a) such claim satisfied the requirements of the Bar Date for such claims established by the Bankruptcy Court, if applicable, and is not otherwise disallowed by Section 502(e) of the Bankruptcy Code or subordination under Section 509(c) of the Bankruptcy Code, and (b) the holder of such claim (the "Indirect Claimant") establishes to the satisfaction of the Trustees that (i) the Indirect Claimant has paid in full the liability and obligation of the U.S. Asbestos Trust to the individual claimant to whom the U.S. Asbestos Trust would otherwise have had a liability or obligation under the U.S. TDP (the "Direct Claimant"), (ii) the Direct Claimant and the Indirect Claimant have forever and fully released the U.S. Asbestos Trust from all liability to the Direct Claimant with respect to the Asbestos Trust Claim satisfied by the Indirect Claimant, and (iii) the claim is not otherwise barred by a statute of limitation or repose or by other applicable law. In no event shall any Indirect Claimant have any rights against the U.S. Asbestos Trust superior to the rights of the related Direct Claimant against the U.S. Asbestos Trust, including any rights with respect to the timing, amount or manner of payment. In addition, no Indirect Claim may be liquidated and paid in an amount that exceeds what the Indirect Claimant has actually paid the related Direct Claimant.

To establish a presumptively valid Indirect Asbestos Trust Claim, the Indirect Claimant's aggregate liability for the Direct Claimant's claim must also have been fixed, liquidated and paid fully by the Indirect Claimant by settlement (with an appropriate full release in favor of the U.S. Asbestos Trust) or a Final Order provided that 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 U.S. Asbestos Trust under applicable law by way of a settlement, the Indirect Claimant shall obtain for the benefit of the U.S. Asbestos Trust a release in form and substance satisfactory to the Trustees.

If an Indirect Claimant cannot meet the presumptive requirements set forth above, including the requirement that the Indirect Claimant provide the U.S. Asbestos Trust with a full release of the Direct Claimant's claim, the Indirect Claimant may request that the U.S. Asbestos Trust review the Indirect Asbestos Trust Claim individually to determine whether the Indirect Claimant can establish under applicable federal, state or foreign law that the Indirect Claimant has paid all or a portion of a liability or obligation that the U.S. Asbestos Trust had to the Direct Claimant as of the Effective Date of the U.S. TDP. If the Indirect Claimant can show that it has paid such a liability or obligation, the U.S. 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 Trust Claim paid by the U.S. Asbestos Trust to an Indirect Claimant shall be treated as an offset to or reduction of the full liquidated value of any Asbestos Trust Claim that might be subsequently asserted by the Direct Claimant against the U.S. Asbestos Trust.

Any dispute between the U.S. Asbestos Trust and an Indirect Claimant over whether the Indirect Claimant has a right to reimbursement for any amount paid to a Direct Claimant, or whether the claim is a valid Indirect Asbestos Trust Claim that has been channeled to the U.S. Asbestos Trust under the terms of the Plan, shall be subject to the ADR procedures provided in Section 5.10 below. If such dispute is not resolved by said ADR procedures, the Indirect Claimant may litigate the dispute in the tort system pursuant to Sections 5.11 and 7.6 below.

The Trustees may develop and approve a separate proof of claim form for Indirect Asbestos Trust Claims. Indirect Asbestos Trust Claims that have not been disallowed, discharged, or otherwise resolved by prior order of the Bankruptcy Court shall be processed in accordance with procedures to be developed and implemented by the Trustees consistent with the provisions of this Section 5.6, 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 U.S. Asbestos Trust would have afforded the holders of the underlying valid Asbestos Trust Claims. Nothing in this U.S. TDP is intended to preclude a trust to which asbestos-related liabilities are channeled from asserting an Indirect Asbestos Trust Claim against the U.S. Asbestos Trust subject to the requirements set forth herein.

5.7 Evidentiary Requirements for U.S. TDP Valued Claims

5.7(a) Medical Evidence.

5.7(a)(1) In General. For U.S. TDP Valued Claims, all diagnoses of a Disease Level shall be accompanied by either (i) a statement by the physician providing the diagnosis that at least 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. A finding by a physician after the Effective Date that a claimant's disease is "consistent with" or "compatible with" asbestosis will not alone be treated by the U.S. Asbestos Trust as a diagnosis.

5.7(a)(1)(A). Disease Levels I-IV. Except for claims filed against a T&N Entity, FMP or any other asbestos defendant in the tort system prior to the Petition Date, all diagnoses of a non-malignant asbestos-related disease (Disease Levels I-IV) 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 Levels I-III, evidence of Bilateral Asbestos-Related Nonmalignant Disease (as defined in Footnote 3 above); (ii) for Disease Level IV⁶, an ILO reading of 2/1 or greater or pathological evidence of asbestosis, and (iii) for Disease Levels III and IV, pulmonary function testing.⁷

⁶ All diagnoses of Asbestos/Pleural Disease (Disease Levels II and III) not based on pathology shall be presumed to be based on findings of bilateral asbestosis or pleural disease, and all diagnoses of Mesothelioma (Disease Level VIII) shall be presumed to be based on findings that the disease involves a malignancy. However, the U.S. Asbestos Trust may rebut such presumptions.

⁷ "Pulmonary Function Testing" or "PFT" shall mean 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

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 I-IV) 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 Levels I-III, evidence of Bilateral Asbestos-Related Nonmalignant Disease (as defined in Footnote 3 above), and for Disease Level IV, either an ILO reading of 2/1 or greater or pathological evidence of asbestosis; and (iv) for either Disease Level III or IV, pulmonary function testing.

5.7(a)(1)(B). Disease Levels V – VIII. All diagnoses of an asbestos-related malignancy (Disease Levels V – VIII) 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). Exception to the Exception for Certain Pre-Petition Claims. If the holder of an Asbestos Trust Claim that was filed against a T&N Entity, FMP or any other defendant in the tort system prior to the Petition Date has available a report of a diagnosing physician engaged by the holder or his or her law firm who conducted a physical examination of the holder as described in Sections 5.7(a)(1)(A), or if the holder has filed such

quality and calibration. PFT performed in a hospital accredited by the Joint Commission on Accreditation of Healthcare Organizations (“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 Effective Date of the Plan, and the full PFT report is not available, the claimant must submit a declaration signed by a Qualified Physician or other party who is qualified to make a certification regarding the PFT in the form provided by the U.S. Asbestos Trust certifying that the PFT was conducted in material compliance with ATS standards.

medical evidence and/or a diagnosis of the asbestos-related disease by a physician not engaged by the holder or his or her law firm who conducted a physical examination of the holder with another asbestos-related personal injury settlement trust that requires such evidence without regard to whether the claimant or the law firm engaged the diagnosing physician, the holder shall provide such medical evidence to the U.S. Asbestos Trust notwithstanding the exception in Section 5.7(a)(1)(A).

5.7(a)(2) Credibility of Medical Evidence. Before making any payment to a claimant on a U.S. TDP Valued Claim, the U.S. Asbestos Trust must have reasonable confidence that the medical evidence provided in support of the claim is credible and consistent with recognized medical standards. The U.S. Asbestos Trust may require the submission of X-rays, CT scans, detailed results of pulmonary function tests, laboratory tests, tissue samples, results of medical examination or reviews of other medical evidence, and may require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods and procedure to assure that such evidence is reliable. Medical evidence (i) that is of a kind shown to have been received in evidence by a state or federal judge at a trial in the Claimant's Jurisdiction, (ii) that is consistent with evidence submitted to any Federal-Mogul Entity to settle for payment similar disease cases prior to Federal-Mogul's bankruptcy, or (iii) a diagnosis by a physician shown to have previously qualified as a medical expert with respect to the asbestos-related disease in question before a state, federal or foreign judge, is presumptively reliable, although the U.S. Asbestos Trust may seek to rebut the presumption.

In addition, claimants who otherwise meet the requirements of this U.S. TDP for payment of a U.S. TDP Valued Claim shall be paid irrespective of the results in any litigation at anytime

between the claimant and any other defendant in the relevant tort system. However, any relevant evidence submitted in a proceeding in the relevant tort system involving another defendant, other than any findings of fact, a verdict, or a judgment, may be introduced by either the claimant or the U.S. Asbestos Trust in any Individual Review proceeding conducted pursuant to Section 5.3(a)(2) or any Extraordinary Claim proceeding conducted pursuant to Section 5.4(a).

5.7(b) Exposure Evidence

5.7(b)(1) In General. As set forth above in Section 5.3(a)(1)(C) to qualify for any Disease Level, holders of U.S. TDP Valued Claims, including Multiple Exposure Claims, must demonstrate a minimum exposure to an asbestos-containing product manufactured or distributed by the particular Federal-Mogul Entity to which the claim relates. Claims based on conspiracy theories that involve no exposure to an asbestos-containing product manufactured or distributed by a Federal-Mogul Entity are not compensable under this U.S. TDP. To meet the presumptive exposure requirements of Expedited Review set forth in Section 5.3(a)(1)(C) above, the claimant must show (i) for all Disease Levels, Federal-Mogul Exposure as defined below prior to December 31, 1982; (ii) for Asbestos/Pleural Disease Level II, six months Federal-Mogul Exposure prior to December 31, 1982, plus five years cumulative occupational asbestos exposure; and (iii) for Asbestosis/Pleural Disease (Disease Level III), Severe Asbestosis (Disease Level IV), Other Cancer (Disease Level V) or Lung Cancer 1 (Disease Level VII), the claimant must show six months Federal-Mogul Exposure prior to December 31, 1982, plus Significant Occupational Exposure to asbestos as defined below. If the claimant cannot meet the relevant presumptive exposure requirements for a Disease Level eligible for Expedited Review, the claimant may seek Individual Review of his or her exposure to an asbestos-containing product

manufactured or distributed by the relevant Federal-Mogul Entity pursuant to Section 5.3(a)(2) above.

5.7(b)(2) Significant Occupational Exposure. "Significant Occupational Exposure" means employment for a cumulative period of at least five years, with a minimum of two years prior to December 31, 1982, in an industry and an occupation in which the claimant (a) handled raw asbestos fibers on a regular basis; (b) fabricated asbestos-containing products so that the claimant in the fabrication process was exposed on a regular basis to raw asbestos fibers; (c) altered, repaired or otherwise worked with an asbestos-containing product such that the claimant was exposed on a regular basis to asbestos fibers; or (d) 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 (a), (b) and/or (c).

5.7(b)(3) Federal-Mogul Exposure. Claimants holding U.S. TDP Valued Claims must demonstrate meaningful and credible exposure, which occurred prior to December 31, 1982, to asbestos or asbestos-containing products supplied, specified, manufactured, installed, maintained, or repaired by the relevant T&N Entity or by FMP, and/or any entity, including any contracting unit, for which the particular Federal-Mogul Entity has legal responsibility ("Federal-Mogul Products"). That meaningful and credible exposure evidence may be established by an affidavit or sworn statement of a living claimant; by an affidavit or sworn statement of a co-worker or family member in the case of a deceased claimant (providing the U.S. Asbestos Trust finds such evidence reasonably reliable); by invoices, employment, construction or similar records; or by other credible evidence. The specific exposure information required by the U.S. Asbestos Trust to process a claim under either Expedited or Individual Review is set forth on the proof of claim form to be used by the U.S.

Asbestos Trust. The U.S. Asbestos Trust can also require submission of other or additional evidence of exposure when it deems such to be necessary.

Evidence submitted to establish proof of exposure to Federal-Mogul Products is for the sole benefit of the U.S. Asbestos Trust, not third parties or defendants in the tort system. The U.S. Asbestos Trust has no need for, and therefore claimants are not required to furnish the U.S. Asbestos Trust with evidence of exposure to specific asbestos products other than those for which the particular Federal-Mogul Entity has legal responsibility, except to the extent such evidence is required elsewhere in this U.S. TDP. Similarly, failure to identify Federal-Mogul Products in the claimant's underlying tort action, or to other bankruptcy trusts, does not preclude the claimant from recovering from the U.S. Asbestos Trust, provided the claimant otherwise satisfies the medical and exposure requirements of this U.S. TDP.

5.8 Claims Audit Program. The U.S. Asbestos Trust with the consent of the TAC and the Future Claimants' Representative may develop methods for auditing the reliability of medical evidence, including additional reading of x-rays and CT scans as well as 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 any Federal-Mogul Entity prior to December 31, 1982. In the event that the U.S. Asbestos Trust reasonably determines that any individual or entity has engaged in a pattern or practice of providing unreliable medical evidence to the U.S. Asbestos Trust, it may decline to accept additional evidence from such provider in the future.

Further, in the event that an audit reveals that fraudulent information has been provided to the U.S. Asbestos Trust, the U.S. Asbestos Trust may penalize any claimant or claimant's attorney by disallowing the Asbestos Trust 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 Trust 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 (Malignancy) Claims. The holder of an Asbestos Trust Claim involving a non-malignant asbestos-related disease (Disease Levels I through IV) may assert a new Asbestos Trust Claim against the U.S. Asbestos Trust for a malignant disease (Disease Levels V – VIII) 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 his or her original claim involving the nonmalignant disease.

5.10 Arbitration of U.S. TDP Valued Claims.

5.10(a) Establishment of ADR Procedures. The U.S. Asbestos Trust, with the consent of the TAC and the Future Claimants' Representative, shall institute binding and non-binding arbitration procedures in accordance with Alternative Dispute Resolution (“ADR”) Procedures for U.S. TDP Valued Claims (i.e., T&N, Flexitallic, Ferodo and FMP Claims) for resolving disputes concerning whether a pre-petition settlement agreement with or on behalf of any T&N Entity or FMP is binding and judicially enforceable in the absence of a Final Order of the Bankruptcy Court determining the issue, whether the U.S. Asbestos Trust's outright rejection or denial of a U.S. TDP Valued Claim was proper, or whether the claimant's medical condition

or exposure history meets the requirements of this U.S. TDP for purposes of categorizing a U.S. TDP Valued Claim involving Disease Levels II – VIII. Binding and non-binding arbitration shall also be available for resolving disputes over the liquidated value of a U.S. TDP Valued Claim involving Disease Levels II – VIII, as well as disputes over a Subfund’s share of the unpaid portion of a Pre-Petition Liquidated Claim described in Section 5.2 above, and the validity of an Indirect Asbestos Trust Claim described in Section 5.6 above.

In all arbitrations where relevant, the arbitrator shall consider the same medical and exposure evidentiary requirements that are set forth in Section 5.7 above. In the case of an arbitration involving the liquidated value of a claim involving Disease Levels II – VIII, the arbitrator shall consider the same valuation factors that are set forth in Section 5.3(a)(2)(C) above. With respect to all U.S. TDP Valued Claims eligible for arbitration, the claimant, but not the U.S. Asbestos Trust, may elect either non-binding or binding arbitration. The ADR Procedures for U.S. TDP Valued Claims may be modified by the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants’ Representative. Such amendments may include adoption of mediation procedures as well as establishment of an Extraordinary Claims Panel to review such claims pursuant to Section 5.4(a) above.

5.10(b) U.S. TDP Valued Claims Eligible for Arbitration. In order to be eligible for arbitration, claims must first complete the Individual Review Process set forth in Section 5.3(a)(2) above and must also complete either the Pro-Bono Evaluation or Mediation processes set forth in the ADR Procedures to be established by the U.S. Asbestos Trust with respect to the disputed issue. Individual Review will be treated as completed for these purposes when the U.S. TDP Valued Claim has been individually reviewed by the U.S. Asbestos Trust, the U.S. Asbestos Trust has made an offer on the claim, the claimant has rejected the liquidated value

resulting from the Individual Review, and the claimant has notified the U.S. Asbestos Trust of the rejection in writing. Individual Review shall also be treated as completed if the U.S. Asbestos Trust has rejected the claim.

5.10(c) Limitations on and Payment of Arbitration Awards. In the case of a non-Extraordinary U.S. TDP Valued Claim involving Disease Levels II – VIII, the arbitrator shall not return an award in excess of the Maximum Value for the appropriate Disease Level as set forth in Section 5.3(a)(3) above, and for an Extraordinary U.S. TDP Valued Claim involving one of those Disease Levels, the arbitrator shall not return an award greater than the maximum extraordinary value for such a claim as set forth in Section 5.4(a) above. A claimant who submits to arbitration and who accepts the arbitral award will receive payments in the same manner as one who accepts the U.S. Asbestos Trust's original valuation of the claim.

5.11 Litigation. Except as to claims described in Section 2.1(b)(1) hereof, holders of Asbestos Trust Claims may litigate their claims in the tort system only as provided below. In each such case, the claimant may seek to recover only the relevant U.S. Asbestos Trust Subfund's separate share of the liquidated value of the claim.

5.11(a) Litigation of U.S. TDP Valued Claims. Claimants holding U.S. TDP Valued Claims who elect non-binding arbitration and then reject their arbitral awards retain the right to institute a lawsuit against the U.S. Asbestos Trust in the Claimant's Jurisdiction pursuant to Section 7.6(a) below. However, all lawsuits brought against the U.S. Asbestos Trust involving U.S. TDP Valued Claims must be filed by the claimant in her or her own right and name and not as a member or representative of a class; no such lawsuit may be consolidated with any other lawsuit; and a claimant shall be eligible for payment of a judgment for monetary

damages obtained in the tort system from the U.S. Asbestos Trust's available cash only as provided in Section 7.7(a) below.

5.11(b) Litigation of Fel-Pro and Vellumoid Claims. Claimants holding Fel-Pro and Vellumoid Claims may also sue the U.S. Asbestos Trust in the relevant tort system pursuant to Section 7.6(b) below if they fail to reach a settlement of the claim with either the U.S. Asbestos Trust or an insurer that provides coverage for such claims. In such a case, the U.S. Asbestos Trust shall tender the claim to the insurer or insurers who have provided coverage for claims arising out of such exposure. It is anticipated that the insurer or insurers that has accepted the tender of the claim will defend the U.S. Asbestos Trust against the claim or reimburse the U.S. Asbestos Trust for its costs of defense. All settlements or final judgments against the U.S. Asbestos Trust resulting from litigation of an insured claim shall be paid initially by the responsible insurer(s) to the U.S. Asbestos Trust and then by the U.S. Asbestos Trust on behalf of the corresponding Subfund pursuant to Section 7.7(b) below.

Any such lawsuit involving a Fel-Pro or Vellumoid Claim may be brought by the claimant in the federal, state or foreign court of his or her choosing as permitted under applicable federal, state, or foreign law. Where no action against a Federal-Mogul Entity or another asbestos product manufacturer is pending on behalf of the claimant, the claimant may institute a lawsuit against the U.S. Asbestos Trust by filing an appropriate legal pleading in a venue permitted by applicable federal, state or foreign law. Where an action against a Federal-Mogul Entity alone, against a Federal-Mogul Entity and another asbestos product manufacturer, or against another asbestos product manufacturer alone, is pending, the U.S. Asbestos Trust, within 15 days of receiving notice of the claimant's election to file an action in that forum, shall execute appropriate legal documents stipulating to either the substitution of the U.S. Asbestos Trust as a

party defendant for the Federal-Mogul Entity, or the joinder of the U.S. Asbestos Trust as a party defendant in any federal, state or foreign action pending against any other defendant as permitted by applicable law. The applicability of statutes of limitations and repose in all such lawsuits shall be determined under applicable state or federal law without regard to Section 5.1(a)(2) above.

SECTION VI

Claims Materials

6.1 Claims Materials. The U.S. Asbestos Trust shall prepare suitable and efficient claims materials (“Claims Materials”) for all Asbestos Trust Claims, and shall provide such Claims Materials upon a written request for such materials to the U.S. Asbestos Trust. The proof of claim form to be submitted to the U.S. Asbestos Trust shall require the claimant to assert the highest Disease Level for which the claim qualifies at the time of filing. The proof of claim form shall also 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 U.S. Asbestos Trust shall make every 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. The proof of claim forms may be changed by the Trustees with the consent of the TAC and the Future Claimants’ Representative.

6.2 Content of Claims Materials for U.S. TDP Valued Claims. The Claims Materials shall include a copy of this U.S. TDP, such instructions as the Trustees shall approve, and a detailed proof of claim form. If feasible, the form used by the U.S. Asbestos Trust to obtain claims information shall be the same or substantially similar to those used by other

asbestos claims resolution organizations. If requested by the claimant, the U.S. Asbestos Trust shall accept information provided electronically. The claimant may, but will not be required to, provide the U.S. Asbestos Trust with evidence of a prior recovery from another asbestos defendant and/or claims resolution organization. However, the claimant shall be required to provide the U.S. Asbestos Trust with evidence of any prior recovery from any Federal-Mogul Entity.

6.3 Withdrawal or Deferral of Claims. A claimant may withdraw an Asbestos Trust Claim at any time upon written notice to the U.S. Asbestos Trust and file another such claim subsequently without affecting the status of the claim for statute of limitations purposes, but any such claim filed after withdrawal shall be given a place in the FIFO Processing Queue based on the date of such subsequent filing. A claimant can also request that the processing of his or her Asbestos Trust Claim by the U.S. Asbestos Trust 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. During the period of such deferral, interest on such claimant's U.S. Asbestos Trust Claim as provided in Section 7.5 hereunder, if applicable, shall not accrue and payment thereof shall be deemed waived by the claimant.

Except for U.S. TDP Valued Claims held by representatives of deceased or incompetent claimants for which court or probate approval of the U.S. Asbestos Trust's offer is required, or a 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 U.S. Asbestos Trust's written offer of payment or rejection of the claim. Upon written request and

good cause, the U.S. Asbestos Trust may extend either the deferral or withdrawal period for an additional six (6) month period.

6.4 Filing Requirements and Fees. The Trustees shall have the discretion to determine, with the consent of the TAC and the Future Claimants' Representative, (a) whether a claimant must have previously filed an asbestos personal injury claim in the relevant tort system to be eligible to file the claim with the U.S. Asbestos Trust and (b) whether a filing fee should be required for any Asbestos Trust Claims.

6.5 Confidentiality of Claimants' Submissions. All submissions to the U.S. Asbestos Trust by a holder of a Asbestos Trust Claim or a proof of claim form and materials related thereto shall be treated as made in the course of settlement discussions between the holder and the U.S. 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 U.S. Asbestos Trust will preserve the confidentiality of such claimant submissions, and shall disclose the contents thereof only, with the permission of the holder, to another trust established for the benefit of asbestos personal injury claimants pursuant to section 524(g) of the Bankruptcy Code or other applicable law, to such other persons as authorized by the holder, or in response to a valid subpoena of such materials issued by the Bankruptcy Court. Furthermore, the U.S. Asbestos Trust shall provide counsel for the holder a copy of any such subpoena immediately upon being served. The U.S. Asbestos Trust shall on its own initiative or upon request of the claimant in question take all necessary and appropriate steps to preserve said privilege before the Bankruptcy Court and before those courts having appellate jurisdiction related thereto.

SECTION VII

General Guidelines for Liquidating and Paying U.S. TDP Valued Claims

7.1 Showing Required. To establish a valid U.S. TDP Valued Claim, a claimant must meet the requirements set forth in this U.S. TDP. The U.S. 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 claim, and may further require that medical evidence submitted comply with recognized U.S. medical standards regarding equipment, testing methods, and procedures to assure that such evidence is reliable.

7.2 Costs Considered. Notwithstanding any provisions of this U.S. TDP to the contrary, the Trustees shall always give appropriate consideration to the cost of investigating and uncovering invalid Asbestos Trust Claims so that the payment of valid Asbestos Trust Claims is not further impaired by such processes with respect to issues related to the validity of the medical evidence supporting an Asbestos Trust Claim. The Trustees shall also have the latitude to make judgments regarding the amount of transaction costs to be expended by the U.S. Asbestos Trust so that valid Asbestos Trust Claims are not unduly further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustees, in appropriate circumstances, from contesting the validity of any U.S. TDP Valued Claim against the U.S. Asbestos Trust whatever the costs, or to decline to accept medical evidence from sources that the Trustees have 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 U.S. Asbestos Trust's FIFO Processing and Payment Queues, the Maximum Annual Payment, the Maximum Available

Payment and the Claims Payment Ratio requirements for U.S. TDP Valued Claims set forth above, the Trustees shall proceed as quickly as possible to liquidate and pay all Asbestos Trust Claims, and shall make payments to holders of such claims in accordance with this U.S. TDP as insurance proceeds and other monies become available to a particular Subfund and as claims are liquidated, while maintaining sufficient assets within the Subfund to pay future valid claims in substantially the same manner.

Because the U.S. 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 for claims against any particular Subfund. However, the Trustees shall use their best efforts to treat similar claims in substantially the same manner, consistent with the objective of this U.S. TDP, their duties as Trustees, the purposes of the U.S. Asbestos Trust, the established allocation of monies to claims in Categories A and B for the Subfund or Subfunds for which a Claims Payment Ratio has been established, and the practical limitations imposed by the inability to predict the future with precision. In the event that any of the U.S. Asbestos Trust Subfunds face temporary periods of limited liquidity, the Trustees may, with the consent of the TAC and the Future Claimants' Representative, suspend the normal order of payment from such Subfund, may temporarily limit or suspend payments from such Subfund altogether, and may offer a Reduced Payment Option for the Subfund as described in Section 2.5 above.

7.4 Punitive Damages. Except as otherwise provided herein, in determining the value of any U.S. TDP Valued 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 will be payable with respect to any

claim litigated against the U.S. Asbestos Trust in the tort system pursuant to Sections 5.11 above and 7.6 below. The only damages that may be awarded pursuant to this U.S. TDP to Alabama Claimants who are deceased and whose personal representatives pursue their claims only under the Alabama Wrongful Death Statute shall be compensatory damages determined pursuant to the statutory and common law of the Commonwealth of Pennsylvania, without regard to its choice of law principles. The choice of law provision in Section 7.4 herein applicable to any claim with respect to which, but for this choice of law provision, the applicable law of the Claimant's Jurisdiction pursuant to Section 5.3(a)(2)(C) is determined to be the Alabama Wrongful Death Statute, shall only govern the rights between the U.S. Asbestos Trust and the claimant including, but not limited to, suits in the tort system pursuant to Section 7.6, and to the extent the U.S. Asbestos Trust seeks recovery from any entity that provided insurance to any Federal Mogul Entity, the Alabama Wrongful Death Statute shall govern.

7.5 Interest.

7.5(a) In General. Except for any U.S. Asbestos Trust Claim involving Other Asbestos Disease (Disease Level I – Cash Discount Payment) and subject to the limitations set forth below, interest shall be paid on all Pre-Petition Liquidated Claims payable from the T&N Subfund and the FMP Subfund as well as on all U.S. TDP Valued Claims if the claimant has had to wait a year or more for payment, provided, however, that no claimant shall receive interest for a period in excess of seven (7) years. The initial interest rate shall be six percent (6%) simple interest per annum for each of the first five (5) years after the Effective Date. Thereafter, the U.S. Asbestos Trust shall have the discretion to change the annual interest rate with the consent of the TAC and the Future Claimants' Representative.

7.5(b) Liquidated Pre-Petition Claims. Interest shall be payable on the liquidated value of all Pre-Petition Liquidated Claims described in Section 5.2(a) above that are payable from the T&N Subfund or the FMP Subfund. In the case of Pre-Petition Liquidated Claims liquidated by verdict or judgment, interest shall be measured from the date of payment back to the date that is one year after the date that the verdict or judgment was entered. In the case of Pre-Petition Liquidated Claims liquidated by a binding, judicially enforceable settlement, interest shall be measured from the date of payment back to the date that is one year after the Petition Date.

7.5(c) Unliquidated U.S. TDP Valued Claims. Interest shall be payable on the Scheduled Value of any U.S. TDP Valued Claim that meets the requirements of Disease Levels II – V, VII and VIII, whether the claim is liquidated under Expedited or Individual Review, or by arbitration. Interest on a U.S. TDP Valued Claim that meets the requirements of Disease Level VI shall be based on the Average Value of such a claim. Interest on all such U.S. TDP Valued Claims shall be measured from the date of payment back to the earliest of the date that is one year after the date on which (i) the claim was filed against a Federal-Mogul Entity prior to the Petition Date; (ii) the claim was filed against another defendant in the relevant tort system on or after the Petition Date but before the Effective Date; or (iii) the claim was filed with the U.S. Asbestos Trust after the Effective Date. No interest shall be paid on any Disease Level I claim, or on any claim liquidated in the tort system pursuant to Section 5.11 above and Section 7.6 below.

7.5(d) Unliquidated Fel-Pro and Vellumoid Claims. In the case of Fel-Pro and Vellumoid Claims payable from the Fel-Pro or Vellumoid Subfunds that are liquidated by final judgment or settlement in the tort system pursuant to Section 5.11(b) above, interest shall

paid only to the extent required by applicable law or by the express terms of a settlement agreement.

7.6 Litigation in the Tort System.

7.6(a) Litigation Involving U.S. TDP Valued Claims. If the holder of a disputed U.S. TDP Valued Claim disagrees with the U.S. 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 the claim to non-binding arbitration as provided in Section 5.10 above, the holder may file a lawsuit in the Claimant's Jurisdiction as defined in Section 5.3(a)(2)(C) above. As provided in Section 5.11(a) above, all lawsuits brought against the U.S. Asbestos Trust involving U.S. TDP Valued Claims 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 U.S. Asbestos Trust all defenses that could have been asserted by the relevant Federal-Mogul Entity) shall be available to both sides at a trial involving any Asbestos Trust Claim; however, the U.S. Asbestos Trust may waive any defense and/or concede any issue of fact or law. If the claimant was alive at the time a Pre-Petition complaint was filed or on the date the proof of claim form was filed with the U.S. Asbestos Trust, the case will be treated as a personal injury case with personal injury damages to be considered even if the claimant has died during the pendency of the claim.

7.6(b) Litigation of Fel-Pro and Vellumoid Claims. Fel-Pro and Vellumoid Claims shall be litigated in the tort system pursuant to Sections 5.3(b) and 5.11(b) above.

7.7 Payment of Judgments for Money Damages.

7.7(a) Judgments Relating to U.S. TDP Valued Claims. If and when a claimant obtains a judgment in the tort system relating to a U.S. TDP Valued Claim, the claim shall be placed in the FIFO Payment Queue established by the T&N Subfund or the FMP Subfund based on the date on which the judgment became final. Thereafter, the claimant shall receive from the relevant Subfund an initial payment (subject to the applicable Payment Percentage, the Maximum Available Payment, and the Claims Payment Ratio provisions set forth above) of an amount equal to one-hundred percent (100%) of the greater of (i) the U.S. Asbestos Trust's last offer to the claimant or (ii) the award that the claimant declined in non-binding arbitration. The claimant shall receive the balance of the judgment, if any, in five (5) equal installments in years six (6) through ten (10) following the year of the initial payment (also subject to the applicable Payment Percentage, the Maximum Available Payment and the Claims Payment Ratio provisions set forth above in effect on the date of payment of the subject installment).

In the case of non-Extraordinary U.S. TDP Valued Claims involving Disease Levels II - VIII, the total amounts paid with respect to such claims shall not exceed the Maximum Values for such Disease Levels set forth in Section 5.3(a)(3). In the case of Extraordinary U.S. TDP Valued Claims, the total amounts paid with respect to such claims shall not exceed the maximum value for such claims set forth in Section 5.4(a) above. Under no circumstances shall interest be paid on any judgments obtained in the tort system with respect to U.S. TDP Valued Claims, nor shall any punitive damages, i.e., damages that are not compensatory damages, be paid with respect to any claims liquidated in the tort system except as otherwise provided in Section 7.4 above. In the case of claims involving Disease Level I, the total amounts paid shall not exceed the Scheduled Value of such claims.

7.7(b) Settlements and Judgments Relating to Fel-Pro and Vellumoid Claims.

Claimants who hold settlements or final judgments against the U.S. Asbestos Trust arising out of litigation in the tort system of Fel-Pro or Vellumoid Claims shall have those settlements or judgments paid by the insurers who provide coverage for such claims. Interest shall be paid on those settlements or judgments only as provided by the express terms of a settlement agreement or by applicable statute, and no punitive damages shall be paid in any case.

7.8 Releases. The Trustees shall have the discretion to determine the form and substance of the releases to be provided to the U.S. 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 U.S. Asbestos Trust. As a condition to making any payment to a claimant, the U.S. Asbestos Trust shall obtain a separate general, partial, or limited release as appropriate in accordance with the applicable state or other law with respect to each claim paid. 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.

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

7.10 U.S. Asbestos Trust Disclosure of Information. Periodically, but not less often than once a year, the U.S. Asbestos Trust shall make available to claimants and other interested

parties, the number of U.S. TDP Valued Claims by Disease Levels that have been resolved both by the Individual Review Process and by arbitration, as well as the number of all Asbestos Trust Claims that have been resolved by litigation in the relevant tort systems, 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 Trustees may amend, modify, delete, or add to any provisions of this U.S. TDP (including, without limitation, amendments to conform this U.S. TDP to advances in scientific or medical knowledge or other changes in circumstances) for the purpose of insuring that all Asbestos Trust Claims are treated in accordance with the objective of this U.S. TDP, which is set forth above in Section 2.1(a) above, provided, however, 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. In making any amendments, modification deletions or additions to the provisions of this U.S. TDP, the Trustees shall first obtain the consent of the TAC and the Future Claimants' Representative pursuant to the Consent process set forth in Sections 5.7(b) and 6.6(b) of the U.S. Asbestos Trust Agreement. Nothing herein is intended to preclude the TAC or the Future Claimants' Representative from proposing to the Trustees, in writing, amendments to this U.S. TDP. Any amendment proposed by the TAC or the Future Claimants' Representative shall remain subject to Section 7.3 of the U.S. Asbestos Trust Agreement.

8.2 Severability. Should any provision contained in this U.S. 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 U.S. TDP. Should any provision

contained in this U.S. TDP be determined to be inconsistent with or contrary to any Federal-Mogul Entity's or the U.S. Asbestos Trust's obligations to any insurance company providing insurance coverage to such Federal-Mogul Entity in respect of claims for personal injury based on exposure to asbestos-containing products manufactured or distributed by such Federal-Mogul Entity, the U.S. Asbestos Trust with the consent of the TAC and the Future Claimants' Representative may amend this U.S. TDP and/or the U.S. Asbestos Trust Agreement to make the provisions of either or both documents consistent with the duties and obligations of such Federal-Mogul Entity to said insurance company.

8.3 Governing Law. Except for purposes of determining the liquidated value of any Asbestos Trust Claim, administration of this U.S. TDP shall be governed by, and construed in accordance with, the laws of the State of Delaware. The law governing the liquidation of all U.S. TDP Valued Claims in the case of Individual Review, arbitration or litigation in the tort system shall be the law of the Claimant's Jurisdiction as described in Section 5.3(a)(2)(C) above. The law governing the liquidation in the tort system of Fel-Pro and Vellumoid Claims shall be determined based on applicable federal or state choice of law rules.

Section IX

Debtor HPE Asbestos Claims

9.1 T&N Subfund Claims. The Plan provides, in Article IV, a mechanism by which the U.S. Asbestos Trust can seek, for the benefit of all holders of T&N Subfund claims, to pursue Asbestos Personal Injury Claims (other than a CVA Claim) against the Reorganized Hercules Protected Entities ("Debtor HPE Asbestos Claims") and to access certain insurance coverage of the Reorganized Hercules Protected Entities. To facilitate the efforts of the U.S. Asbestos Trust to those ends, each holder of a T&N Subfund Claim, as a condition of the submission by such

holder of such claim to the U.S. Asbestos Trust for the processing, liquidation, and payment of a Trust Claim in respect of such claim pursuant to Article 4.5 of the Plan --

(a) appoints the U.S. Asbestos Trust as his, her, or its agent, pursuant to Article 4.5.8 of the Plan, to assert against the relevant Reorganized Hercules Protected Entity, in the name of such holder or otherwise, any Debtor HPE Asbestos Claim that he, she, or it may have against such Reorganized Hercules Protected Entity;

(b) assigns to the U.S. Asbestos Trust, pursuant to Article 4.5.7 of the Plan, his, her or its rights to the proceeds of his, her or its Debtor HPE Asbestos Claim against any and all of the Reorganized Hercules-Protected Entities (including but not limited to the T&N Entities) as well as his, her or its 1930 Act Rights, and

(c) grants to the U.S. Asbestos Trust a power of attorney, in such form as the U.S. Asbestos Trust may require, to pursue such Debtor HPE Asbestos Claim on his, her, or its behalf or otherwise,

provided, however, that to the extent any such appointment, assignment, or grant is determined by the U.S. Asbestos Trust to have the potential effect of either invalidating the Debtor HPE Asbestos Claim in question or rendering it unenforceable (or less likely to be enforceable) by the U.S. Asbestos Trust against the applicable Reorganized Hercules Protected Entity, or the U.S. Asbestos Trust determines that some other action by the holder is appropriate to facilitate the pursuit of the claim, the U.S. Asbestos Trust and the holder of the Debtor HPE Asbestos Claim shall mutually agree on an alternative means of prosecuting the claim, and/or additional or alternative action by the holder, so as to maximize the chances of successful recovery on such claim.

9.2 Selection of Debtor HPE Asbestos Claims. The U.S. Asbestos Trust is empowered to select for prosecution against one or more Reorganized Hercules-Protected Entities those Debtor HPE Asbestos Claims whose prosecution the U.S. Asbestos Trust, in its discretion, determines will best serve the purposes of the U.S. Asbestos Trust. For purposes of making such selection, the U.S. Asbestos Trust may depart from the provisions of Section 5.1(a)(1) of this U.S. TDP relating to the order in which Trust Claims are processed. Not all Debtor HPE Asbestos Claims will be selected by the U.S. Asbestos Trust for prosecution.

9.3 Cooperation and Assistance. It is anticipated that the U.S. Asbestos Trust will, and it is empowered to, require the cooperation and assistance of the holder of any Debtor HPE Asbestos Claim that the U.S. Asbestos Trust selects for possible prosecution against a Reorganized Hercules Protected Entity. Such assistance and cooperation may include, but is not limited to, the provision of evidence and testimony by such holder and his, her or its counsel. The holders of T&N Subfund Claims who submit such claims are obligated to provide such cooperation and assistance, on request of the U.S. Asbestos Trust, if their Debtor HPE Asbestos Claims are selected for possible prosecution. Recognizing that such cooperation and assistance may require significant effort and/or expense by the holder whose claim is selected and his, her, or its counsel, and that (i) only certain Debtor HPE Asbestos Claims will be selected by the U.S. Asbestos Trust for prosecution, (ii) the recoveries, at least initially, on T&N Subfund Claims from the U.S. Asbestos Trust are likely to be a relatively small percentage of their value, and (iii) it is in the interests of all holders of T&N Subfund Claims that the prosecution of such selected Debtor HPE Asbestos Claims succeed, the U.S. Asbestos Trust is authorized to enter into arrangements with such holders of selected claims, and with their personal counsel, to compensate them fairly for the effort and expense required of them to assist and cooperate with

the U.S. Asbestos Trust in the prosecution of selected Debtor HPE Asbestos Claims as provided in the first sentence of this Section 9.3 Such arrangements will be on such terms as the U.S. Asbestos Trust reasonably determines, and need not be identical in all cases. No holder of a T&N Subfund Claim who unreasonably refuses to provide such fairly compensated assistance and cooperation shall be entitled to receive any payment (including on a Trust Claim) from the U.S. Asbestos Trust on his, her or its T&N Subfund Claim.

9.4 Applicable Law. For the avoidance of doubt, none of the provisions of Sections I through VIII of this U.S. TDP governing the processing, valuation, or liquidation of T&N Subfund Claims or any other Asbestos Trust Claims shall apply to the processing, prosecution, or resolution of Debtor HPE Asbestos Claims against Reorganized Hercules Protected Entities. Instead, the resolution of Debtor HPE Asbestos Claims shall be governed by applicable law in whatever jurisdiction or jurisdictions in which such claims shall properly be asserted against any Reorganized Hercules Protected Entity and, to the extent applicable, by Article IV of the Plan.