

EAGLE-PICHER INDUSTRIES, INC. PERSONAL INJURY SETTLEMENT TRUST
("EPI TRUST")
CLAIMS AUDIT PROCEDURES (Approved August 2019)

Pursuant to Section 7.10 of the EPI Trust Claims Resolution Procedures (CRP), the Trustees shall conduct random or other audits to verify information submitted in connection with these EPI Asbestos Claims Procedures.

The primary goal of the Claims Audit is to provide the EPI Trust with an additional opportunity to again objectively examine the documentation provided in the claim materials and thereby further enhance the Trust's many other policies and procedures that detect misrepresentations or potential unreliable claims. The procedures will determine whether the totality of the evidence of medical condition and exposure is sufficient to affirm the trusts' decision to validate the exposure and/or medical portion of the claim based upon the proof of claim submission. The audit will focus on underlying medical and exposure evidence. Notwithstanding any other provisions herein, in no event will a law firm be asked to submit privileged materials.

If requested by the Trustees, Executive Director, Trust Counsel or CPF Management, CPF Audit Team will complete a random audit of claims from a designated law firm(s), medical facility(ies), or medical provider(s). The Trust reserves the right to expand the scope of such an audit for targeted populations of claims, in the Executive Director's discretion.

The EPI Trust may have to place claims on administrative hold until a sufficient number of claims are accumulated to sample for a subject audit.

Firms will be given 90 days to respond to the sample request and submit the requested evidence. The attachment at the end of this document lists the documentary evidence that the EPI Trust will request. The EPI Trust will send a notification to the firms with a list of audit claims and these document requests.

Failure to provide a response to the initial audit request or any subsequent requests will render the claim deficient. Notwithstanding any other provisions hereof, if requested records do not exist, are unavailable or are privileged, barring a pattern of behavior by the subject law firm, medical facility, or medical provider, the non-submission of such records will not result in automatic disallowance, provided, however, that in such a case, the CPF Audit Team may elect to replace the claimant with another claimant from the original sample population.

If the EPI Trust proposes a decrease to its payment percentage while a claim is being audited, such claim will be paid at the payment percentage that was in effect prior to the proposed payment percentage reduction.

I. Sample Design

A sample selection will be drawn to sample claims for a designated law firm, medical facility or medical provider at the request of the Trustees, Executive Director, Trust Counsel or CPF management as deemed necessary. Thus, selected sample may be on a basis that may not be random. The sample size will be designed to maximize the accuracy of the findings with a minimum of resources.

Based on ongoing results, if a potential problem is identified, the CPF Audit Team may require that additional claims be sampled to more accurately assess the extent of the potential problem. For example, if a series of errors arise with the same diagnosing physician, the next sample may include a larger number of cases for involving that particular physician. Based on the extent of the errors, the CPF Audit Team may recommend that the Trust continue to undertake a specialized audit that addresses claimant filings from a specific physician or law firm.

II. Audit Stages

Stage 1: Intake of Audit Materials

The CPF Audit Team will review the submissions from the law firms to ensure that evidence has been submitted for each of the audit phases: Administrative, Medical and Exposure. The team will also compare a list of the submitted items to a list of the items already provided to the EPI Trust.

Stage 2: Administrative Audit

The CPF Audit Team will review the entire document set to ensure completeness of claim documentation. This is the stage where signatures, dates and verifications (i.e., notarizations) are checked.

Stage 3: Medical Documentation Review

The CPF Audit Team will refer chest x-rays to a board-certified B-reader for review. The PFT's and diagnostic reports will be reviewed by a Board Certified pulmonologist. The CPF Audit Team will compile the results. Due to the specialization of this part of the audit, the Audit Team will include neutral board-certified physicians who can review the medical tests, scans and films, and compare their findings to the claimant's original diagnostic reports. The goal is to affirm the plausibility of the medical conclusion by the claimant's treating physician(s).

Stage 4: Asbestos Product Exposure Documentation Assessment

The CPF Audit Team will perform a detailed review of all the documentation provided by the law firms to affirm the exposure requirements of the Claims Resolution Procedures (CRP) are met. The review will include an assessment of company exposure, and cumulative asbestos exposure, as described in the CRP.

III. Law Firm Submission Requests

For each claim that is subject to audit, law firms will be required to provide all non-privileged documents of the types listed below upon which the law firm relied in submitting the medical and exposure information for the subject Audited Claim to the Trust:

1. *Depositions and interrogatories of the claimant and co-workers addressing occupational and work history related to all asbestos exposure during the entire time period of the claimant's allegations as set forth in the claim form.*
2. *Social security records of the injured party (and of the occupationally exposed person ("OEP") - (if the Audited Claim is a secondary exposure claim)*
3. *All affidavits or sworn statements executed by the claimant, the injured party, co-workers, family members, or the occupationally exposed person ("OEP") (if the Audited Claim is a secondary exposure claim) related to the EPI claim*
4. *Lawsuit filings filed against EPI for all claims alleging a pre-petition lawsuit filing naming EPI*
5. *Lawsuit filings for all claims in which claimant is alleging a tolling agreement (along with a copy of the tolling agreement)*
6. *All B-reading interpretations and ILO forms*
7. *Diagnostic imaging (X-rays, CT-Scans, MRIs) on a CD in DICOM format or the hard copy used to establish the most severe nonmalignant injury being reported. If these x-rays are not available, please advise the CPF explaining the efforts undertaken to obtain them and or the reason for their unavailability. Please do not send x-rays unrelated to the alleged nonmalignant injury and diagnosis.*
8. *All pathology or autopsy reports documenting asbestosis, asbestos-related pleural disease, malignant mesothelioma or a primary carcinoma of the lung, colon, esophagus, larynx, pharynx or stomach*
9. *All admission, history & physical and discharge summaries of any hospitalizations for asbestos-related disease and/or any malignant disease which is recognized as compensable by the Trust*
10. *All physical examination or pulmonary consultation reports*

11. *All non-privileged interpretive reports provided by experts retained by counsel or the claimant to review tests, x-rays, or diagnostic reports in order to render an opinion*
12. *Documentation sufficient to verify that the claimant who has submitted the Audited Claim has provided adequate proof of identification. Such proof may take the form of a **government issued ID, Social Security records, military records, or other documents that verify the identity of the claimant.** Information not relevant to CPF's use of the proof of identification may be redacted. In cases involving a personal representative, the personal representative's government issued ID will suffice*
13. *Evidence supporting the selected Claimant's Jurisdiction*
14. *If an excerpt or portion of a document or transcript was submitted in support of the Audited Claim, the full document or transcript*
15. *Verified work histories of the injured party (and of the occupationally exposed person ("OEP") (if the Audited Claim is a secondary exposure claim) during the time when the injured party was allegedly exposed to asbestos or asbestos-containing products for which EPI has legal responsibility*

Notwithstanding any other provisions hereof, in no event will a law firm be asked to submit privileged materials.

IV. Issue Resolution

Upon finding a pattern of deviations or discrepancies, the CPF Audit Team will provide written notice to the law firm giving the law firm thirty (30) days to provide a plausible written response. The CPF Audit Team will evaluate the written response and, if the CPF Audit Team determines that the written response is acceptable, the CPF Audit Team will recommend to the Executive Director, Trust Counsel, or Board Trustees that it can be accepted as proof of verification of a non-deviation. If deemed necessary, the CPF Audit Team, Executive Director, Trust Counsel, or Trustees may further investigate any error patterns by a law firm, physician, or medical facility.

V. Management Representation

Upon conclusion of the audit, each law firm will be required to sign a law firm management representation letter in the form attached hereto as Exhibit A.

VI. Reporting of Results

Upon the conclusion of each audit, the CPF will produce a report to the Trustees summarizing the findings and recommending specific actions to be taken as a result of any systemic issues identified or adverse findings that require corrective and/or disciplinary action. Depending on the nature of

the issue to be addressed, such action may involve:

- Disallowance of the Trust Claim
- Requiring the source of the unreliable information to pay the costs associated with the audit and any future audit or audits
- Reordering the priority of payment of all affected firms' PI Trust Claims
- Increased scrutiny of information submitted by the source(s) and/or requiring addition information from the source(s)
- Refusing to accept additional evidence from the same source(s)
- Seeking the prosecution of the claimant or claimant's attorney for presenting an inaccurate or misleading claim in violation of 18 U.S.C. § 152
- Seeking sanctions from the Bankruptcy Court

The CPF Audit Team will calculate a "raw" discrepancy rate for the sampled claims. The "raw" discrepancy rate will be calculated using the following formula:

$$\text{Raw Discrepancy Rate} = \frac{\text{Total Number of Discrepancies}}{\text{Total Number of Claims in Sample}}$$

Since the raw discrepancy rate may have been determined by a stratification protocol, the CPF Audit Team will further investigate any error patterns by a law firm, physician, or medical facility. Where questions arise regarding the reliability of exposure proof for a law firm, or medical proof for a physician or medical facility, the CPF Audit Team may request additional samples to calculate precise error rates for that firm, physician, or medical facility.

Following conclusion of the audit of each Audited Claim, CPF will return to the law firm all materials submitted in connection with the audit: provided, however, the Trust may retain such materials where CPF identified concerns or adverse findings that were not resolved to the Trustee's satisfaction.

EXHIBIT A
LAW FIRM MANAGEMENT REPRESENTATION LETTER

Law Firm Name
Law Firm Address
Law Firm Address

Date

Via Regular Mail or E-mail (Teena.Mandele@cpf-inc.com)

Claims Processing Facility, Inc.
East – West Corporate Center
1771 West Diehl Road
Suite 220
Naperville, IL 60563

Attention: Teena Mandele

**Re: Eagle-Picher Industries, Inc. Personal Injury Settlement Trust
Claims Audit, Claimant NAME, EPI #NUMBER**

To Claims Processing Facility, Inc.:

We are providing this management representation letter in connection with the claims audit performed by Claims Processing Facility, Inc. (“CPF”) on behalf of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (“Trust”) covering Claim ID # NUMBER for NAME.

The undersigned is competent and authorized to make the representations set forth herein.

We understand that the claims audit was conducted pursuant to the claims audit program adopted by the Trust under CRP Section 7.10. We further understand that the Trust conducted the audit to ensure that the law firm representing the claimant named above has complied with the terms and conditions of the CRP and the Electronic Filer Agreement regarding the medical and exposure evidence submitted to the Trust to support the claim. Specifically, we recognize that the Trust conducted the audit to ensure that our law firm maintains in its files documentation which supports the information submitted electronically or by hard copy claim form.

We acknowledge our responsibility, as the filing law firm, to comply with the requirements of Rule 11(b) of the Federal Rules of Civil Procedure in presenting information to the Trust and to provide all non-privileged documentation required by the Trust’s claims audit program.

We confirm, to the best of our knowledge and belief, as of the date of this letter, that we have provided the Trust with complete and accurate copies of all of the documents required by the audit of the above-named claim pursuant to the terms of the claims audit program, except

for documents for which a reasonable basis exists to withhold such documents as protected by the attorney-client, common-interest, work product or any other privilege or protection recognized by the Claimant's Jurisdiction, and such privilege or protection has not been waived.

We acknowledge that CPF on behalf of and at the direction of the Trust, to the extent permitted by the Trust's claims audit program, may request additional non-privileged information or explanations.

Yours truly,

(Signature)

(Title)