

EAGLE-PICHER INDUSTRIES, INC.

ASBESTOS INJURY CLAIMS RESOLUTION PROCEDURES

These Eagle-Picher Industries Asbestos Personal Injury Claims Resolution Procedures (the “**EPI Asbestos Claims Procedures**”) have been prepared in connection with the Third Amended Consolidated Plan of Reorganization of Eagle-Picher Industries, Inc. (“**Eagle-Picher**”) and its affiliated Debtors (the “**Plan**”) confirmed by order of the United States Bankruptcy Court for the Southern District of Ohio, Western Division, dated November 18, 1996 (“**Bankruptcy Court**”) in In re Eagle-Picher Industries, Inc., et al., Consolidated Case No. 1-91-00100 (“**Chapter 11 Cases**”) and the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust Agreement (the “**Trust Agreement**”) filed in connection with the Plan.

These EPI Asbestos Claims Procedures provide for processing, liquidating, paying, and satisfying all Asbestos Personal Injury Claims as provided in and required by the Plan and the Trust Agreement. The trustees of the PI Trust (the “**Trustees**”) shall implement and administer these EPI Asbestos Claims Procedures in accordance with the Trust Agreement.

SECTION I

Definitions

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

SECTION II

Purpose and Interpretation

2.1 Purpose. These EPI Asbestos Claims Procedures are adopted pursuant to the Trust Agreement. They are designed to provide prompt payment to holders of similar, valid Asbestos Personal Injury Claims in substantially the same manner.

2.2 Interpretation. Nothing in these EPI Asbestos Claims Procedures shall be deemed to create a substantive right for any claimant. Without limiting the foregoing, these EPI Asbestos Claims Procedures specifically shall not create any substantive right for any claimant to be afforded now, or in the future, a discounted cash payment election, as described in Section 5.2 herein, in any amount. These EPI Asbestos Claims Procedures are procedural, and they may be amended, deleted, or added to pursuant to the terms of the Trust Agreement and the terms of these EPI Asbestos Claims Procedures.

SECTION III

Trustees’ Advisory Committee

The Trustees shall consult with the Trustees’ Advisory Committee (“TAC”), appointed pursuant to the Trust Agreement, on the implementation and administration of these EPI

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

SECTION IV

Payment Percentage; Periodic Estimates

There is inherent uncertainty regarding Eagle-Picher's total liability to holders of Asbestos Personal Injury Claims as well as the total value of the assets available to pay valid Asbestos Personal Injury Claims. Consequently, there is inherent uncertainty regarding the amounts that claimants will receive. To ensure substantially equivalent treatment of all present and future valid Asbestos Personal Injury Claims, prior to making distributions to claimants, other than those who have elected the discounted cash payment described in Section 5.2, the Trustees must determine the percentage of full liquidated value that valid Asbestos Personal Injury Claims would be likely to receive ("**Payment Percentage**"). No claimant shall receive payments under the individualized review process that exceed the PI Trust's most recent determination of the Payment Percentage. The Trustees must base this determination, on the one hand, on estimates of the number, types, and values of present and future Asbestos Personal Injury Claims and, on the other hand, on the value of the PI Trust's assets, the liquidity of those assets, the PI Trust's expected future expenses for administration and legal defense, and other material matters that are reasonable and likely to affect the sufficiency of funds to pay a comparable percentage of full value to all holders of Asbestos Personal Injury Claims. Periodically, but no less frequently than once every three (3) years, the Trustees shall reconsider their determination of the Payment Percentage to assure that it is based on accurate, current information and may, after such reconsideration, change the Payment Percentage, if necessary. When making these determinations, the Trustees shall exercise common sense and flexibly evaluate all relevant factors.

SECTION V

Claims Types; Processing and Payment

5.1 Prepetition Liquidated Claims.

(a) Processing and Payment. Unless not feasible after every reasonable effort, no later than 60 days after the Effective Date the Trustees shall pay Asbestos Personal Injury Claims that were liquidated by settlement agreement entered into prior to January 7, 1991 or by judgment that became final and nonappealable prior to January 7, 1991 ("**Prepetition Liquidated Claims**"). These claims shall be paid in an order to be determined by the Trustees based on a first-in first-out ("**FIFO**") principle. These claims may require no processing other

than verification of the holder's identity, payment, and release of the PI Trust. The liquidated value of a Prepetition Liquidated Claim shall be the amount awarded in the prepetition judgment or settlement agreement, and holders of Prepetition Liquidated Claims shall be paid the appropriate Payment Percentage based upon that liquidated value.

(b) Marshalling. Prepetition 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 PI Trust. In the event that such security or surety is insufficient to pay the Prepetition Liquidated Claim in full, the deficiency shall be processed and paid as a Prepetition Liquidated Claim.

5.2 Discounted Cash Payment Election.

(a) Rationale. The Plan provides for a discounted cash payment election that may be made at the time the eligible holders of Asbestos Personal Injury Claims vote to accept or reject the Plan. Those holders of valid Asbestos Personal Injury Claims who so elect shall make a full and final settlement with the PI Trust (except as provided in Section 5.2(c) herein) in exchange for a single cash payment in the amounts shown below for each disease category:

Mesothelioma	\$6,500
Lung Cancer	\$2,000
Other Cancer	\$1,000
Non-malignancy	\$ 400

This discounted cash payment election is designed, in part, for claimants who easily can be determined by the PI Trust to have valid Asbestos Personal Injury Claims and who desire to have a fixed and certain payment made expeditiously rather than wait for payment after individualized review. This discounted cash payment election further is designed, in part, for claimants who easily can be determined by the PI Trust to have valid Asbestos Personal Injury Claims for non-malignant injuries and who wish to have a fixed payment now and the right to receive a further payment if they should subsequently be diagnosed as having an asbestos-related malignancy.

(b) Processing and Payment. Unless not feasible after every reasonable effort, no later than 60 days after the Effective Date the Trustees shall process and pay the holders of Asbestos Personal Injury Claims who elect to receive a discounted cash payment in an order to be determined by the Trustees based on a FIFO principle. The Trustees shall determine appropriate procedures for ensuring that only holders of valid Asbestos Personal Injury Claims are paid under the discounted cash payment election. These procedures for ensuring payment only to holders of valid Asbestos Personal Injury Claims under the discounted cash payment election shall be based upon the guidelines set forth in Section 7.1 herein.

(c) Subsequent Malignancy. The holder of a valid Asbestos Personal Injury Claim based upon a non-malignant asbestos injury or condition who elects to receive a discounted cash payment as provided herein may file a new Asbestos Personal Injury Claim for an asbestos-related malignancy that is subsequently diagnosed, and any additional payments to

which such claimant may be entitled shall not be reduced by the amount of the discounted cash payment.

(d) No Review. The Trustees' decision that the holder of an Asbestos Personal Injury Claim should not receive a discounted cash payment is not reviewable. However, the holder of an Asbestos Personal Injury Claim whose claim is denied discounted cash payment may then elect individualized review as set forth in Section 5.3.

(e) Future Discounted Payment Elections. In the future, the Trustees, in their complete discretion, may, or may not, offer claimants discounted cash payments for valid Asbestos Personal Injury Claims. In the event they decide to offer claimants discounted cash payments in the future, they shall have complete discretion to determine the amounts and procedures for such future discounted cash payments and under no circumstances shall they be obligated in the future to pay the same amounts set forth in Section 5.2(a) herein for discounted cash payments.

5.3 Individually Reviewed Claims; Claims Categories.

(a) Rationale. A claimant (i) who initially elects individualized review, or (ii) whose Asbestos Personal Injury Claim was rejected by the Trustees for discounted cash payment and who then elects individualized review, shall have his or her Asbestos Personal Injury Claim reviewed, based upon an evaluation of exposure, loss, damages, injury, and other factors determinative of claim value according to applicable tort law. The detailed examination and individualized valuation of Asbestos Personal Injury Claims is designed for claimants with serious or fatal asbestos-related injuries whose Asbestos Personal Injury Claims require the added expense of individualized examination.

(b) Categories and Values. The PI Trust will categorize Asbestos Personal Injury Claims by injury, and it may subcategorize Asbestos Personal Injury Claims by occupation, medical criteria, or any other factor related to the value of Asbestos Personal Injury Claims within each injury category. The PI Trust shall use these categories and subcategories to resolve Asbestos Personal Injury Claims as expeditiously and economically as possible. For each category or subcategory, the PI Trust shall determine a limited range of liquidated values representing average historical payments by Eagle-Picher to resolve similar Asbestos Personal Injury Claims. Offers of payments to claimants shall be determined by assigning to their valid Asbestos Personal Injury Claim an appropriate value within the applicable range and multiplying that value by the Payment Percentage. Because discounted cash payment elections are a more cost effective means for determining the liquidated value of less serious, non-fatal Asbestos Personal Injury Claims, the PI Trust shall reduce the range of values for categories and subcategories of such Asbestos Personal Injury Claims to reflect the cost for providing such review to those holders of less serious, non-fatal Asbestos Personal Injury Claims who did not elect discounted cash payment under either the Plan or any subsequent discounted cash payment program made available to them by the PI Trust.

When a claimant's economic damages are exceptionally larger than the normal range, that claimant's Asbestos Personal Injury Claim may be classified as an extraordinary Asbestos Personal Injury Claim and such Asbestos Personal Injury Claim may be liquidated in an amount that exceeds the limited range of liquidated values for any given injury category or subcategory,

but such a classification shall not increase the Payment Percentage. The Trustees shall determine the nature of the Asbestos Personal Injury Claims that they will classify as extraordinary Asbestos Personal Injury Claims.

(c) Processing and Liquidation. Individually reviewed claims shall be processed and liquidated pursuant to the following schedule, unless not feasible after every reasonable effort: (i) substantially all the claims whose holders had filed lawsuits against Eagle-Picher prior to January 7, 1991, shall be processed and liquidated no later than 18 months after the Effective Date;

(ii) substantially all the claims whose holders had not filed lawsuits against Eagle-Picher prior to January 7, 1991 but whose holders had filed timely proofs of claim in the Chapter 11 Cases, shall be processed and liquidated no later than 36 months after the Effective Date;

(iii) substantially all the claims whose holders had not filed lawsuits against Eagle-Picher prior to January 7, 1991 and whose holders had not filed timely proofs of claim in the Chapter 11 Cases, but whose holders at any time prior to the date of the Confirmation Order (A) had filed lawsuits in the tort system against asbestos manufacturers other than Eagle-Picher, or (B) had filed a proof of claim with any other asbestos victims' trust or claims processing facility, or (C) had filed a registration of any asbestos claim on any inactive docket or similar asbestos claims registry, shall be processed and liquidated no later than 48 months after the Effective Date; and

(iv) claims not described in subsections (i) through (iii) above, shall be processed and liquidated as soon as possible but not before the claims described in subsections (i) through (iii) above.

(d) Payment. While payments to holders of valid Asbestos Personal Injury Claims generally should be made in the same order in which claims are liquidated, provided they act consistently with Section 524(g)(2)(B)(ii)(V) of the Bankruptcy Code, the Trustees shall have complete discretion to determine the timing and the appropriate method for making payments. Such methods may include, in the discretion of the Trustees, a method for the payment on an installment basis, in which case any installment payment shall be subject to the Payment Percentage in effect at the time such installment payment is made.

(e) Disputes Over Individualized Review. Claimants who reject the Trustees' offer after individualized review and who wish to dispute their eligibility for payment, their categorization, or the amount of the Trustees' offer under individualized review, must initiate one of the alternative dispute resolution procedures established by the Trustees pursuant to Section 7.6. After such alternative dispute resolution procedures have been exhausted, claimants who still reject the PI Trust's offer must initiate arbitration pursuant to procedures like those set forth in Section 7.8. Only after claimants have rejected any non-binding arbitration award pursuant to procedures like those set forth in Section 7.8, may they file suit against the PI Trust.

(f) Full Releases. Holders of Asbestos Personal Injury Claims who receive an individualized payment shall execute and deliver to the Trustees a general release in a form satisfactory to the Trustees and may not thereafter file a new Asbestos Personal Injury Claim.

5.4 Exigent Health Claims; Extreme Hardship Claims. At any time the Trustees may individually evaluate and pay Exigent Health Claims and Extreme Hardship Claims, as defined in this Section 5.4. These claims may be considered separately no matter what the order of processing otherwise would have been under this Section V.

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

A claim qualifies for payment as an Extreme Hardship Claim if the Trustees, in their complete discretion, determine the claimant needs financial assistance on an immediate basis based on the claimant's expenses and all sources of available income.

5.5 Asbestos Contribution Claims. Asbestos Personal Injury Claims asserted against the PI Trust that fall within the Trust Agreement's definition of Asbestos or Lead Contribution Claims, and which have not been disallowed, discharged, or otherwise resolved, shall be processed, allowed or disallowed, liquidated, paid, and satisfied in accordance with procedures to be developed and implemented by the Trustees, which procedures (a) shall determine the validity and allowance of such claims consistent with Section 502(e) of the Bankruptcy Code; (b) shall require binding arbitration for the resolution of all disputes and thereby foreclose resort to the tort system for dispute resolution; and (c) shall otherwise provide the same processing and payment to the holders of such claims that are allowed as the PI Trust would have afforded the holders of any underlying valid Asbestos Personal Injury Claims under this Section V.

SECTION VI

Claims Materials

As soon as reasonably practicable, but not later than six months following the Effective Date, the PI Trust shall mail claims materials ("**Claims Materials**") to each person with an Asbestos Personal Injury Claim who has filed a proof of claim in the Bankruptcy Court or has pending a lawsuit against Eagle-Picher or otherwise has been identified to the Trustees as holding an Asbestos Personal Injury Claim that is neither a Prepetition Liquidated Claim defined in Section 5.1 nor an Asbestos Personal Injury Claim for which a discounted cash payment election has been made as set forth in Section 5.2. For any person holding an Asbestos Personal Injury Claim who is first identified to Eagle-Picher or the Trustees any time subsequent to the Effective Date, the PI Trust shall mail the Claims Materials no later than six months following such identification. The PI Trust may send Claims Materials to a claimant care of an attorney representing the claimant.

The Claims Materials will include descriptions of these EPI Asbestos Claims Procedures, instructions, and a claim form. If feasible, the forms used by the PI Trust to obtain claims information shall be the same or substantially similar to those used by other asbestos claims resolution facilities. Instead of collecting some or all claims information from a claimant or the claimant's attorney, the PI Trust may obtain such information from electronic data bases

maintained by any other asbestos claims resolution organization, provided that the PI Trust informs the claimant that it plans to obtain information as available from such other organizations unless the claimant objects in writing or provides such information directly to the PI Trust.

In order to be eligible for payment under these EPI Asbestos Claims Procedures, a claimant must return all claims' information requested by the PI Trust within the six month period following his or her receipt of the Claims Materials. An Asbestos Personal Injury Claim shall be disallowed automatically if a claimant required to provide claims information fails to provide all such information within this period, unless the claimant demonstrates to the satisfaction of the Trustees that such a failure should be excused.

SECTION VII

General Guidelines for Liquidating and Paying Individually Reviewed Claims

7.1 Showing Required. In order to establish a valid Asbestos Personal Injury Claim, a claimant must (a) make a conclusive demonstration of exposure to an Eagle-Picher asbestos-containing product and (b) submit a medical report from a qualified physician that (i) results from a physical examination by that physician and (ii) contains a diagnosis of an asbestos-related injury. The PI Trust may require the submission of evidence of exposure to an Eagle-Picher asbestos-containing product, x-rays, laboratory tests, medical examinations or reviews, other medical evidence, or any other evidence to support such Asbestos Personal Injury Claims and require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods, and procedures to assure that such evidence is reliable. The PI Trust has no need for, and therefore claimants are not required to furnish the PI Trust with, evidence of exposure to specific asbestos products other than Eagle-Picher asbestos-containing products. All evidence submitted to establish a valid Asbestos Personal Injury Claim is made in the context of confidential settlement discussions between the claimant and the PI Trust and is subject to all applicable state and federal regulations and privileges including, but not limited to, those related to health and medical information or settlement discussions. Such evidence is for the sole benefit of the PI Trust and will be evaluated pursuant to the EPI Asbestos Claims Procedures.

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

7.3 Costs Considered. Notwithstanding any provision of these EPI Asbestos Claims Procedures to the contrary, the Trustees shall always give appropriate consideration to the cost of investigating and uncovering invalid Asbestos Personal Injury Claims so that the payment of valid Asbestos Personal Injury Claims is not further impaired by such processes. In issues related to the validity of Asbestos Personal Injury Claims, e.g., exposure and medical evidence of

injury, the Trustees shall have the latitude to make judgments regarding the amount of transaction costs to be expended by the PI Trust so that valid Asbestos Personal Injury Claims are not further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustees, in appropriate circumstances, from contesting the validity of any Asbestos Personal Injury Claim whatever the costs.

7.4 Discretion to Vary Payments. Consistent with the provisions hereof, the Trustees shall proceed as quickly as possible to liquidate claims, and they shall make payments to holders of valid Asbestos Personal Injury Claims promptly as funds become available and as Asbestos Personal Injury Claims are liquidated, while maintaining sufficient resources to pay future valid Asbestos Personal Injury Claims in substantially the same manner. Because decisions about payments must be based on estimates and cannot be done precisely, they may have to be revised in light of experience over time, and a claimant who receives payment early in the life of the PI Trust may receive a smaller or larger percentage of the value of his Asbestos Personal Injury Claim than a claimant who receives payment in the middle of or late in the life of the PI Trust. Therefore, there can be no guarantee of any specific level of payment to claimants. However, the Trustees shall use their best efforts to treat similar, valid Asbestos Personal Injury Claims in substantially the same manner, consistent with their duties as Trustees in these circumstances, the purposes of the PI Trust, and given the practical limitations imposed by the inability to predict the future with precision.

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

7.6 Alternative Dispute Resolution. The Trustees shall establish an appropriate alternative dispute resolution process so that the claimants and the PI Trust shall have a full range of alternative dispute resolution devices available for their use in the individualized review process, including reviews by specialized panels, mediation and arbitration. If compensation of an alternative dispute resolution provider becomes necessary, each side shall equally share the obligation to pay such compensation and shall otherwise bear its own costs.

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

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

If arbitration becomes necessary, arbitrators shall (i) return awards within the range of injury category value limits set by the PI Trust for the injury category in which the Asbestos Personal Injury Claim properly falls, (ii) determine that the Asbestos Personal Injury Claim falls in a higher or lower category and determine an appropriate award within the range of value limits for that category, or (iii) in cases involving an extraordinary Asbestos Personal Injury Claim,

return awards in excess of category limits. Arbitrators shall not consider the Payment Percentage in determining the value of any Asbestos Personal Injury Claim. If a claimant submits to binding arbitration or accepts an award after non-binding arbitration, the award will establish the liquidated value of the Asbestos Personal Injury Claim, which will be multiplied by the then current Payment Percentage in order to determine the amount that the claimant will receive. The claimant will then receive payments and execute and deliver a general release in the same manner as a claimant who had accepted a valuation of his Asbestos Personal Injury Claim by the PI Trust.

Only claimants who opt for non-binding arbitration and then reject their arbitration awards retain the right to a jury trial to determine the liquidated value of their Asbestos Personal Injury Claims against the PI Trust. All other claimants shall and shall be deemed to have irrevocably waived any right to a jury trial and where appropriate, notices with respect to the filing or liquidation of Asbestos Personal Injury Claims shall contain a provision that clearly and conspicuously explains such jury trial waiver. A holder of an Asbestos Personal Injury Claim desiring to file suit against the PI Trust may do so only after the rejection of a non-binding arbitration award. In all cases, the statute of limitations will be tolled as of the earlier of the date the Asbestos Personal Injury Claim was filed with the PI Trust or the date the claimant filed his/her complaint against Eagle-Picher, and the right to a jury trial shall be preserved with the defendant being solely the PI Trust. To the extent the statute of limitations has been tolled, it shall commence running 30 days after entry of a non-binding arbitration award.

The Chapter 11 Cases and the EPI Asbestos Claims Procedures shall have no effect on trial venue or choice of laws. All claims and defenses (including, with respect to the PI Trust, all claims and defenses which could have been asserted by Eagle-Picher) that exist under applicable law shall be available to both sides at trial; provided, however, that the death of claimant while his/her Asbestos Personal Injury Claim is pending against the PI Trust shall not be deemed to extinguish any cause of action, notwithstanding applicable state law to the contrary. The PI Trust may waive any defense or concede any issue of fact or law. The award of an arbitrator or the recommendation of a mediator and the positions and admissions of the parties during compliance with alternative dispute resolution procedures shall not be admissible for any purpose at trial by any party or third party and they are expressly determined not to be admissions by either party.

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

A claimant who, in accordance with the EPI Asbestos Claims Procedures, elects to resort to the legal system and obtains a judgment for money damages shall have an Asbestos Personal Injury Claim with a liquidated value equal to the judgment amount, less the amount of any prejudgment interest or punitive damages contained therein, and no post-judgment interest shall accrue on such judgment amount. A judgment creditor with a final, nonappealable judgment in excess of the highest amount in the range of values for his/her injury category or subcategory as determined by the Trustees will be paid, when funds are reasonably available, the appropriate Payment Percentage of the highest amount in the range for that injury category or subcategory;

provided, however, that a holder of an extraordinary Asbestos Personal Injury Claim who obtains a final, nonappealable judgment in excess of the PI Trust's last offer or the arbitrator's award will be paid, when funds are reasonably available, the appropriate Payment Percentage of the PI Trust's last offer or the arbitrator's award, whichever is greater. The appropriate Payment Percentage for the excess of the judgment above the foregoing amounts will be paid no later than five (5) years after the date the judgment is entered in the trial court, unless the Trustees determine that such payment will adversely affect payment to other claimants, in which event such payment shall be made in five (5) equal annual installments beginning five (5) years after the date the judgment becomes final and nonappealable.

7.9 Releases. The Trustees shall have the discretion to determine the form and nature of the releases given to the PI 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 PI Trust. As a condition to making any payment to a claimant, the PI Trust shall obtain a general, partial, or limited release as appropriate in accordance with the applicable state or other law, consistent with the payment selection by the claimant. If allowed by state law, the endorsing of a check or draft for payment by or on behalf of a claimant shall constitute such a release. In addition, and as a prerequisite, the claimant shall execute any documents necessary (i) for the PI Trust to perfect its claims, if any, against Eagle-Picher's insurers to receive indemnity for payments, (ii) to release any Asbestos Personal Injury Claim the claimant may have against the insurer, and (iii) for the PI Trust to receive and keep any and all payments made by such insurer for payment of such claim.

7.10 Auditing, Monitoring and Verifying. The Trustees shall conduct random or other audits to verify information submitted in connection with these EPI Asbestos Claims Procedures. In the event that an audit reveals that invalid information has been provided to the PI Trust, the Trustees may penalize any claimant or claimant's attorney by disallowing the Asbestos Personal Injury Claims or seeking sanctions from the District Court including, but not limited to, requiring the offending source to pay the costs associated with the audit and any future audit or audits, reordering the priority of payment of the affected claimants' Asbestos Personal Injury Claims, raising the level of scrutiny of additional information submitted from the same source or sources, or prosecuting the claimant or claimant's attorney for presenting a fraudulent Asbestos Personal Injury Claim in violation of 18 U.S.C. § 152. The PI Trust may develop methods for auditing the reliability of medical evidence, including independent reading of x-rays. If its audits show an unacceptable level of reliability for medical evidence submitted by specific doctors or medical facilities, the PI Trust may refuse to accept medical evidence from such doctors or facilities.

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

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

SECTION VIII

Miscellaneous

8.1 Amendments. The Trustees may amend, modify, delete, or add to any of these EPI Asbestos Claims Procedures (including, without limitation, amendments to conform these procedures to advances in scientific or medical knowledge or other changes in circumstances) by a majority vote of the Trustees, provided they first obtain any advice and consent of the TAC required by Article 3.2(e) of the Trust Agreement. Notwithstanding anything contained herein to the contrary, these EPI Asbestos Claims Procedures shall not be modified or amended in any way that would jeopardize the validity or enforceability of the Asbestos and Lead PI Permanent Channeling Injunction.

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

8.3 Governing Law. The EPI Asbestos Claims Procedures shall be governed by, and construed in accordance with, the laws of the State of Ohio.