

**FIRST AMENDED KEENE ASBESTOS RELATED PERSONAL INJURY CLAIMS
RESOLUTION AND DISTRIBUTION PROCEDURES**

These First Amended Keene Asbestos Related Personal Injury Claims Resolution and Distribution Procedures (the “Asbestos Claims Procedures”) have been prepared in connection with the Fourth Amended Plan of Reorganization, as Modified (the “Plan”) of Keene Corporation (“Keene”) confirmed by order of the United States Bankruptcy Court for the Southern District of New York (the “Court”), dated June 12, 1996, and the Keene Creditors Trust Agreement (the “Trust Agreement”) filed with the Plan.

These Asbestos Claims Procedures provide for processing, liquidating, paying and satisfying all Asbestos-Related Personal Injury Claims (“Personal Injury Claims”) and all Asbestos-Related Personal Injury Contribution Claims (“Contribution Claims”) arising as a result of exposure to asbestos materials manufactured and/or sold by Keene as provided in and required by the Plan and the Trust Agreement. The Keene Creditors Trust (the “Trust”) shall implement and administer these Asbestos Claims Procedures in accordance with the Trust Agreement.

SECTION I

Definitions

1.1 Defined Terms. Capitalized terms used herein and not otherwise defined herein or below shall have the meanings assigned to them in the Trust Agreement or the Plan.

(1) “Claim” means either a Claim or a Demand as those terms are defined in the Plan.

SECTION II

Purpose, Overview, Interpretation and Administration

2.1 Purpose. These Asbestos Claims Procedures are adopted pursuant to and in connection with the Trust Agreement and are designed to provide payment to holders of Personal Injury Claims in such a way that holders of similar Personal Injury Claims are paid in a substantially similar manner.

2.2 Overview. The process for determining the amount to be offered for a valid Personal Injury Claim will be based on the claimant establishing that the Claim meets the criteria for one (1) of seven (7) Scheduled Disease Categories: (1) Mesothelioma; (2) Lung Cancer, Level II; (3) Lung Cancer, Level I; (4) Other Cancer; (5) Severe Asbestosis Disease; (6) Asbestosis/Pleural Disease, Level II; and (7) Asbestosis/Pleural Disease, Level I, as later defined in Section 5.2.

In general, each claimant whom the Trust determines meets the criteria for payment will be offered the established percentage of the Scheduled Value for the Disease Category (the “Payment Percentage”) applicable to that claimant and payment will be made from one (1) of the two (2) Funds established by the Trust pursuant to Section VI.

If the claimant rejects the Trust’s offer of the established percentage of the Scheduled Value, the claimant may elect to have the validity and amount of his or her Claim determined by the tort system. Valid Contribution Claims also will be resolved in a manner provided for in these Asbestos Claims Procedures.

2.3 Interpretation. Nothing in these Asbestos Claims Procedures shall be deemed to create a substantive right for any claimant. These 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 Asbestos Claims Procedures.

2.4 Administration. Whenever the Trust determines the Payment Percentage pursuant to Section III below and projects the value of distributions to holders of Personal Injury Claims under these Asbestos Claims Procedures, if, in their discretion, the Trustees determine that the resulting payments to claimants would be disproportionate to the cost of processing Claims, the Trustees may, with the consent of the Trust Advisory Committee (“TAC”), indefinitely suspend the processing and payment of Claims in any Disease Category. In the event the Trustees suspend the processing and payment of Claims in any Disease Category pursuant to this Section 2.4, the Payment Percentage shall then be recalculated and the resulting payment distributions shall be made solely to Claims in the remaining Disease Categories for which processing and payment have not been suspended.

SECTION III

Payment Percentage: Periodic Estimates

3.1 General. The Trust will pay holders of valid Claims of asbestos-related diseases caused by Keene products, from the Trust Assets only, the Payment Percentage of each Claim’s Scheduled Value as determined by the Trustees pursuant to this Section III, in full satisfaction of each Claim and consistent with the objective of paying holders of similar Claims in a substantially similar manner.

There is substantial uncertainty regarding Keene’s total liability to present and future Keene asbestos personal injury claimants, the total value of the Trust Assets, whether those assets will be sufficient to pay all Personal Injury Claims and when any such assets will be

available. Prior to making any distributions to claimants the Trust must, consistent with Sections 3.2(a) and (b) of the Trust Agreement, make a determination of the aggregate Scheduled Value of present and foreseeable future asbestos claims, of the cash available for distributions, and of such other factors necessary to determine the Payment Percentage of each Claim that the Trust can afford to pay to holders of Personal Injury Claims. Subject to Sections 3.2 and 3.3 below, the Trust shall pay the Payment Percentage of the Scheduled Value of each Claim allowed under these Asbestos Claims Procedures.

3.2 Adjustment of Payment Percentage.

(a) Consistent with the Trust Agreement, and subject to Section 3.2(c) below, the Trust may evaluate and change the Payment Percentage. Any such evaluation shall be performed in a flexible and pragmatic manner that takes into account the relevant circumstances, including the practical limitations imposed by the inability to predict with precision the future assets and liabilities of the Trust, the costs involved in preparing such evaluations, and any other factors the Trust considers relevant.

(b) In the event the Trust, after any periodic re-evaluation under Section 3.2(b) of the Trust Agreement, determines that the Payment Percentage should be changed, such change shall be applied to all future claimants, and any present claimant who has not received a settlement offer at the prior Payment Percentage at the time such change is made effective. Any present claimant who has received a settlement offer at the prior Payment Percentage before the time such change is made effective shall be paid pursuant to the terms of that settlement offer, provided such settlement offer is accepted by tendering a signed release to the Trust within a reasonable time after such settlement offer has been received by the claimant.

The Trust shall not attempt to recover from any paid claimant or claimant's representative the difference between the amount paid to the claimant and the then-prevailing Payment Percentage, and no paid claimant or claimant's representative will have any obligation to return to the Trust any such differential.

(c) The Trust shall consult with the TAC concerning any proposal for adjusting the Payment Percentage, and shall supply the results of any analysis performed by or on behalf of the Trust, as well as any valuations prepared by the Trust's investment bankers, if any, and other consultants. The proposed adjustment shall take effect unless affirmatively objected to by the TAC. In case of such affirmative objection, the issue shall be resolved in accordance with Section 5.1(d) of the Trust Agreement.

3.3 Equalization of Payment Percentages. In the event a new higher Payment Percentage is determined, the Trust shall have the discretion to make an additional payment to those Trust beneficiaries who have not been paid or whose cumulative payment was less than the new higher Payment Percentage, consistent with the objective of paying holders of similar Claims in a substantially similar manner.

3.4 Monetization of Assets. The Trust shall monetize its assets, other than the Causes of Action, at the earliest opportunity consistent with its obligation to preserve and enhance the value of the Trust Assets and to provide prompt and equitable distribution of the Trust Assets to present and future Keene personal injury claimants, and consistent with any provision of the Plan or Trust Agreement imposing restrictions on the Trust Assets.

3.5 Access to Financial Information. Subject to entry into an appropriate confidentiality agreement where applicable, the Trust shall make available to the TAC any

investment banking or other financial, accounting or statistical information available to the Trust relating to issues to be discussed with and/or as to which consent or advice is required of the TAC.

3.6 Amendments to Procedures Involving the Payment Percentage. The procedures set forth herein governing the Payment Percentage may be amended, altered, or adjusted to reflect changed circumstances, greater information, and/or improved procedures by the Trust, with the consent of the TAC, provided however that no amendment to these Asbestos Claims Procedures shall be inconsistent with the provisions of Sections 3.2(a) and (b) of the Trust Agreement.

SECTION IV

Claims, Types, Processing and Payment

4.1 Order of Payment. Once the initial Payment Percentage is determined and the Trust has a minimum of \$30 million of Available Cash in the Asbestos Personal Injury Fund as required by Section 3.2 of the Trust Agreement, or the Trustees have concluded pursuant to said Section 3.2 that it is highly unlikely that the Trust will ever have \$30 million of Available Cash, the Trust shall pay Claims in the order in which the Claims are liquidated in accordance with Section V below. To the extent practicable, the Trust shall make such payment within thirty (30) days of the Trust's receipt of an executed release from the subject claimant. If at any time the Trust has insufficient available funds to pay any Claim, the Trust may suspend payment until such time as the Trust monetizes additional assets. No Claim shall be preferred over any other for purposes of payment, unless otherwise specified herein.

4.2 Prepetition Liquidated Claims.

(a) Bonded Judgments. Prepetition Liquidated Claims that have been reduced to judgment and are secured by letters of credit, appeal bonds, or other security or sureties (“Bonded Judgment Claims”) shall first exhaust their rights against any applicable security. If such collateral is insufficient to pay the Bonded Judgment Claim in full, the established Payment Percentage shall be applied to the unpaid amount of the prepetition judgment and that amount shall be processed and paid as an allowed Claim. In the case of any Bonded Judgment Claim where there has been a decision in Keene’s favor, the Trust, in its sole discretion, may exercise whatever appeal rights Keene possessed.

(b) Claims Settled or Reduced to Judgment or Damage Verdict. Any other prepetition Personal Injury Claims against Keene that were liquidated by settlement agreement or by an unsecured judgment or verdict as to the amount of damages that was entered prior to December 3, 1993 (“Prepetition Liquidated Claims”) require no processing other than verification of the holder’s identity, payment, and release of the Trust. The Scheduled Value of a Prepetition Liquidation Claim shall be the Scheduled Value for the Scheduled Disease as set forth in Section 5.4 below or the settlement, judgment or damage verdict amount agreed to or entered against Keene, less any payment received, whichever is higher. Holders of Prepetition Liquidated Claims shall be paid the established Payment Percentage based upon that higher amount.

SECTION V

The following provisions shall apply only after (1) the Trust has a minimum of \$30 million of Available Cash in the Asbestos Personal Injury Fund as required by Section 3.2 of the

Trust Agreement or the Trustees have concluded pursuant to said Section 3.2 that it is highly unlikely that the Trust will ever have \$30 million of Available Cash, and (2) the Trustees have determined that the Trust Assets are sufficiently liquid to make it cost beneficial to begin receiving and processing Claims. Prior to that time the Trust shall have no obligation to receive or process Claims.

5.1 Ordering and Categorizing of Unliquidated Claims.

(a) Claims Materials. As soon as reasonably practicable the Trust shall make available claims materials (“Claims Materials”) to each person with a Personal Injury Claim who (1) has a pending lawsuit against Keene, (2) filed a proof of claim with the Court, or (3) has otherwise been identified to the Trust as holding a Personal Injury Claim that is not a Prepetition Liquidated Claim or Bonded Judgment Claim. The Trust shall make the Claims Materials available to any person holding a Personal Injury Claim who identifies himself in writing to the Trust, as soon as practicable under the circumstances following such identification. The Trust may make the Claims Materials available to a claimant care of an attorney representing the claimant.

(b) Claims Information. The Claims Materials will include a copy of these Asbestos Claims Procedures, instructions, and a claim form. To the extent feasible, the claim forms used by the Trust shall be the same or substantially similar to those used by other asbestos claims resolution facilities, subject to the Trust’s determinations pursuant to Section 5.5 below. Instead of collecting some or all claims information from a claimant or the claimant’s attorney, the Trust may obtain such information from electronic data bases maintained by any other asbestos claims resolution organization.

(c) Confidentiality of Claimants' Submissions. All submissions to the Trust by a holder of a Trust Claim of 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 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 Trust will preserve the confidentiality of such claimant submissions, and shall disclose the contents thereof only in response to a valid subpoena of such materials. To the extent practicable, before complying with any subpoena, the Trust will provide notice to claimant or his or her attorneys. Nothing contained herein, shall prevent the Trust or any claims facility utilized by the Trust from using claimant submissions for the purpose of evaluating or reviewing other claims submitted to the Trust or claims facility.

(d) Order of Claims. Claims will be ordered for processing in the order in which they are received and for payment in the order in which they are liquidated. Subject to the provisions of Sections 5.2 and 5.5(a)-(f) below, a claimant may be treated by the Trust as having established Disease Category or exposure if the claimant has received an offer of payment from another asbestos claims resolution facility on the basis of evidence establishing a disease in such Disease Category or establishing exposure at a site which the Trust is satisfied would have resulted in exposure to Keene products, provided the decision to accept claims information from such other claims resolution facility had previously been consented to by the TAC.

(e) Statute of Limitations. To be eligible, a Claim must meet either (1) for Claims first filed in the tort system against Keene prior to the Petition Date, the applicable federal, state and foreign statute of limitations and repose that was in effect at the time of the

filing of the Claim in the tort system, or (2) for Claims that were not filed against Keene in the tort system prior to the Petition Date, the applicable statute of limitations and repose that was in effect at the time of the filing with the Trust. However, the running of the relevant statute of limitations shall be tolled as of the earliest of (1) the actual filing of the Claim against Keene prior to the Petition Date, whether in the tort system or by submission of the Claim to Keene pursuant to an administrative settlement agreement; (2) the filing of the Claim against another defendant in the tort system prior to the Petition Date if the Claim was tolled against Keene at the time by an agreement or otherwise; (3) the filing of a Claim after the Petition Date, but prior to the Effective Date against another defendant in the tort system; or (4) the date after the Petition Date (if any) but before the Effective Date that a proof of claim was filed against Keene in Keene's Chapter 11 bankruptcy case.

If a Claim meets any of the tolling provisions described in the preceding sentence and the Claim was not barred by the applicable statute of limitations at the time of the tolling event, it will be treated as timely filed if it is actually filed with the Trust within three (3) years after the date the Trust first begins accepting Claims. In addition, any Claims that were first diagnosed after the Petition Date, irrespective of the application of any relevant statute of limitations or repose, must be filed with the Trust within three (3) years after the date of diagnosis or within three (3) years after the Trust first begins accepting Claims, whichever occurs later, unless the applicable statute of limitations of the jurisdiction in which the claimant experienced exposure to asbestos-containing products manufactured or supplied by Keene ("Claimant's Jurisdiction") is longer than three (3) years, in which case the Claim must be filed within the time period prescribed by the statute of limitations of the Claimant's Jurisdiction in effect at the time of filing

with the Trust. Finally, if the Trust suspends processing of Claims in any Disease Categories pursuant to Section 2.4 above, the statute of limitations for such Claims shall be deemed tolled until the Trust lifts the suspension.

5.2 Scheduled Disease Categories. In accordance with Section 5.5(a)-(f) below, “Compensable Claims” will be Claims of persons who establish that they were injured by exposure to asbestos-containing products manufactured or supplied by Keene and who suffer from medical conditions which fall within one (1) of the following seven (7) Scheduled Disease Categories: (1) Mesothelioma; (2) Lung Cancer, Level II; (3) Lung Cancer, Level I; (4) Other Cancer; (5) Severe Asbestosis Disease; (6) Asbestosis/Pleural Disease, Level II; and (7) Asbestosis/Pleural Disease, Level I.

5.3 Categorization Criteria. The criteria that a Claim must meet to receive an offer for the Scheduled Value listed in Section 5.4 below for one (1) of the seven (7) Scheduled Disease Categories are as follows:

(a) Category 1: Mesothelioma

- (i) Diagnosis¹ of mesothelioma; and
- (ii) Credible evidence of exposure to asbestos products manufactured

and/or sold by Keene.

¹ The requirements for a diagnosis of an asbestos-related disease that may be compensated under the provisions of these Asbestos Claims Procedures are set forth in Section 5.5(a)(1) below.

(b) Category 2: Lung Cancer, Level II

(i) Diagnosis of a primary lung cancer plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease²;

(ii) Six (6) months occupational exposure to Keene asbestos products plus Significant Occupational Exposure³ to asbestos; and

(iii) Supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question.

(c) Category 3: Lung Cancer, Level I

(i) Diagnosis of a primary lung cancer;

(ii) Occupational exposure to Keene asbestos products; and

(iii) Supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question.

Lung Cancer, Level I (Category 3) Claims are Claims that do not meet the more stringent medical and/or exposure requirements of Lung Cancer, Level II (Category 2) Claims. All Claims in this Disease Category will be individually evaluated. The estimated anticipated average value of the individual awards for this category is \$13,700.

² Evidence of “Bilateral Asbestos-Related Nonmalignant Disease” (or “Markers”) means a report submitted by a qualified physician stating that the claimant has or had an x-ray reading of 1/0 or higher on the ILO scale, or bilateral pleural plaques or pleural thickening (or, if an ILO reading is not available, a chest x-ray reading that indicates bilateral interstitial fibrosis, bilateral interstitial markings, bilateral pleural plaques or bilateral pleural thickening consistent with, or compatible with, a diagnosis of asbestos-related disease).

³ “Significant Occupational Exposure” is defined in Section 5.5(b)(2) below.

Category 3 Claims that show no evidence of either an underlying Bilateral Asbestos-Related Nonmalignant Disease or Significant Occupational Exposure are not expected to be treated as having any significant value, especially if this claimant is also a smoker. “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. In any event, no presumption of validity will be available for any Claims in this category.

(d) Category 4: Other Cancer

(i) Diagnosis of a primary colorectal, laryngeal, esophageal, pharyngeal, or stomach cancer, plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease;

(ii) Six (6) months occupational exposure to Keene asbestos products plus Significant Occupational Exposure; and

(iii) Supporting medical documentation establishing asbestos exposure as a contributing factor in causing the other cancer in question.

(e) Category 5: Severe Asbestosis Disease

(i) Diagnosis of asbestosis with ILO of 2/1 or greater, or asbestosis determined by pathology,⁴ plus (a) TLC less than 65% or (b) FVC less than 65% plus FEV1/FVC ratio greater than 65%;

(ii) Six (6) months occupational exposure to Keene asbestos products plus Significant Occupational Exposure to asbestos; and

(iii) Supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary condition in question.

(f) Category 6: Asbestosis/Pleural Disease, Level II

(i) Diagnosis of asbestosis with ILO of 1/0 or greater or asbestosis determined by pathology, or bilateral pleural disease of B2⁵ or greater, plus (a) TLC less than 80% or (b) FVC less than 80% plus FEV1/FVC ratio greater than or equal to 65%;

(ii) Six (6) months occupational exposure to Keene asbestos products plus Significant Occupational Exposure to asbestos; and

⁴ 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).

⁵ "[B]ilateral pleural disease of B2" is defined as chest wall pleural thickening or plaque with a maximum width of at least 5mm and a total length of at least one quarter of the projection of the lateral chest wall. William S. Cole, M.D., *The Classification of Radiographs of Pneumoconiosis, A STUDY SYLLABUS FOR CLASSIFICATION OF RADIOGRAPHS OF PNEUMOCONIOSES 21-24*, n.13 (W.J. Tuddenham, M.D. ed., NIOSH April 1983) (a study guide for the application of the ILO radiographic classification system; prepared by the Division of Respiratory Disease Studies, NIOSH Centers for Disease Control and Prevention, Morgantown, W.V.).

(iii) Supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary condition in question.

(g) Category 7: Asbestosis/Pleural Disease, Level I

(i) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease;
and

(ii) Six (6) months occupational exposure to Keene asbestos products plus five (5) years cumulative occupational exposure to asbestos.

5.4 Schedule of Asbestos-Related Disease Categories and Values. Personal Injury Claims will be categorized and valued in accordance with the following schedule of asbestos-related diseases and values:

<u>Category</u>	<u>Scheduled Disease</u>	<u>Scheduled Value</u>
1	Mesothelioma	\$125,000.00
2	Lung Cancer, Level II	\$ 41,200.00
3	Lung Cancer, Level I	None
4	Other Cancer	\$ 21,500.00
5	Severe Asbestosis Disease	\$ 41,200.00
6	Asbestosis/Pleural Disease, Level II	\$ 10,600.00
7	Asbestosis/Pleural Disease, Level I	\$ 4,800.00

5.5 Evidentiary Requirements and Claims Criteria and Processing.

(a) Medical Evidence.

(i) In General. All diagnoses of a Disease Category shall be accompanied by either (i) a statement by the physician providing the diagnosis that at least ten (10) years have elapsed between the date of first exposure to asbestos or asbestos-containing products and the diagnosis, or (ii) a history of the claimant's exposure sufficient to establish a ten-year latency period. All diagnoses of a nonmalignant asbestos-related disease (Disease Categories 5-7) shall be based (i) in the case of a claimant who was living at the time the Claim was filed, upon (A) a physical examination of the claimant by the physician providing the diagnosis, (B) an x-ray reading by a certified B-reader, and (C) pulmonary function testing⁶ in the case of Asbestosis/Pleural Disease, Level II (Category 6) and Severe Asbestosis Disease (Category 5),⁷ and (ii) in the case of a claimant who was deceased at the time the Claim was filed, upon (A) a physical examination of the claimant by the physician providing the diagnosis, or (B) pathological evidence of the nonmalignant asbestos-related disease, or (C) an x-ray reading by a certified B-reader. Diagnoses of a malignant asbestos-related disease (Disease

⁶ "Pulmonary Function Testing" shall mean spirometry testing that is in material compliance with the quality criteria established by the American Thoracic Society ("ATS") and is performed on equipment which is in material compliance with ATS standards for technical quality and calibration. PFT performed in a hospital accredited by the JCAHO, or performed, reviewed or supervised by a board-certified pulmonologist or other Qualified Physician shall be presumed to comply with ATS standards, and the claimant may submit a summary report of the testing. If the PFT was not performed in a 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 qualified party, in the form provided by the PI Trust, certifying that the PFT was conducted in material compliance with ATS standards.

⁷ All diagnoses of Asbestos/Pleural Disease (Disease Categories 6 and 7) not based on pathology shall be presumed to be based on findings of bilateral asbestosis or pleural disease, and all diagnoses of Mesothelioma (Disease Category 1) shall be presumed to be based on findings that the disease involves a malignancy. However, the Trust may rebut such presumptions.

Categories 1-4) shall be based upon either (i) a physical examination of the claimant by the physician providing the diagnosis, or (ii) a diagnosis of such a malignant Scheduled Disease by a board-certified pathologist or by a pathology report prepared at or on behalf of a hospital accredited by the Joint Commission on Accreditation of Healthcare Organizations (“JCAHO”). A finding by the diagnosing physician that a claimant’s disease is “consistent with” or “compatible with” asbestosis will be treated by the Trust as meeting the standard of a reasonable degree of medical probability.

(ii) Credibility of Medical Evidence. Before making any payment to a claimant, the Trust must have reasonable confidence that the medical evidence provided in support of the Claim is credible and consistent with recognized medical standards. The Trust may require the submission of x-rays, detailed results of pulmonary function tests, laboratory tests, tissue samples, results of medical examination or reviews of other medical evidence, and may require that the medical evidence submitted comply with recognized medical standards regarding equipment, testing methods and procedures to assure that such evidence is reliable.

(b) Exposure Evidence.

(i) In General. To qualify for any Disease Category, the claimant must demonstrate a minimum exposure to an asbestos-containing product manufactured and/or sold by Keene together with additional asbestos exposure requirements where provided.

(ii) Significant Occupational Exposure. “Significant Occupational Exposure” means employment for a cumulative period of at least five (5) years in an industry and an occupation in which the claimant (i) handled raw asbestos fibers on a regular basis,

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

(iii) Exposure Evidence. The claimant must demonstrate meaningful and credible exposure to asbestos or asbestos-containing products manufactured and/or sold by Keene in accordance with the exposure requirements described above. The meaningful and credible exposure may be established by an affidavit of the claimant, by an affidavit of a co-worker or the affidavit of a family member in the case of a deceased claimant (providing the Trust finds such evidence reasonably reliable), by invoices, construction or similar records, or by other credible evidence. The specific exposure information required by the Trust to process a Claim is set forth on the proof of claim form used by the Trust. The Trust can also require submission of other or additional evidence of exposure when it deems such to be necessary.

(c) Categorization of Claims. The Trust will categorize Claims based on the medical evidence submitted to the Trust as part of the claimant's proof of claim. A claimant may, but not need, supplement this information with more current medical evidence. Where the claimant has filed an incomplete Claim for categorization, the Trust may notify the claimant of the need for additional information and the Trust need not process the Claim until the file is

complete. In addition to the data required by Sections 5.2 and 5.5(a)-(b) above, the Trust, after consultation with the TAC, may require that additional evidence be provided.

(d) Proof of Validity Under Applicable Law. The Trust may require such additional evidence, if any, under the applicable substantive law and statute of limitations or may apply such presumptions based on job site, occupation, dates of employment, and other factors as the Trustees in their discretion may from time to time determine are appropriate to balance the goal of paying only claimants with exposure to Keene asbestos-containing products with the goal of preventing excessive expenditure on claim processing. Any such requirements and presumptions should be calculated to yield findings with respect to exposure that would be permissible under the Federal Rules of Evidence.

(e) Modification of Evidentiary Requirements. The Trustees may from time to time review the nature of the documentation and other evidence the Trust will require to establish a Claim under each Disease Category and in the exercise of their discretion may modify such requirements to the extent they deem advances in medical knowledge, change in claim filing patterns, or the goal of preventing excessive expenditure on claims handling make such modification appropriate.

(f) Other Data Banks. In lieu of actually receiving the medical and exposure evidence discussed in Sections 5.2 and 5.5(a)-(b) above, the Trustees may, subject to the provisions of Section 2.1(c)(xviii) of the Trust Agreement, utilize the data bank of any other asbestos claims resolution facility provided the decision to use the claims information from such other claims resolution facility has received the prior consent of the TAC. To minimize costs, this procedure shall be utilized whenever possible to verify a Claim.

(g) If, after reviewing the Claim submitted, the Trust determines that the Claim meets the Trust's criteria or if it is a Prepetition Liquidated Claim, the Trust shall tender the claimant an offer of payment in the amount of the established Payment Percentage of the Scheduled Value for the Scheduled Disease, together with a form of release to be developed by the Trust for this purpose. If the claimant accepts the offer and returns the release properly executed, the Trust shall disburse payment within thirty (30) days thereafter or as promptly as its financial condition then permits, and in accordance with the procedures contained in Section III above.

(h) If the claimant does not respond to the Trust's offer within three (3) months, unless that time is extended by the Trust, the Trust's offer and the Claim will be deemed to be withdrawn. A claimant may also elect to withdraw a Claim at any time. A Claim that is withdrawn or deemed to have been withdrawn may be refiled at any time, and shall be ordered on the Trust's Claims list based on the date of receipt by the Trust of the refiled Claim.

(i) If the Trust determines that a Claim does not meet Trust criteria for any payment or if a claimant disagrees with the Scheduled Disease determination made by the Trust, the claimant may dispute such determination. Upon receipt of written notice from the claimant of such a dispute, coupled with the claimant's written statement of the basis for the dispute and any supporting documentation within such time period established by the Trust and communicated to the claimant, the Trust shall reevaluate the Claim in light of all then-available documentation and advise the claimant of its reevaluation. If on reevaluation the Trust determines that the Claim qualifies for placement in a Scheduled Disease Category or in a different Scheduled Disease Category than the Trust originally determined, the Trust shall tender

an offer in the amount of the established Payment Percentage of the Scheduled Value for the Scheduled Disease so determined, together with a form of release as described in Section 5.5(g) above. If the claimant accepts the offer and returns the release properly executed, the Trust shall tender payment within thirty (30) days thereafter or as promptly thereafter as financial conditions permit, and in accordance with the procedures contained in Section III above.

5.6 Audit Procedures. In all cases, the Trust may require that medical x-rays, tests, laboratory examinations and other medical evidence comply with recognized medical standards regarding equipment, testing methods, and procedures to assure that such evidence is reliable. The Trust may develop methods for auditing the reliability of medical evidence, including independent reading of x-rays. If this audit shows an unacceptable level of reliability for medical evidence submitted by specific doctors or medical facilities, the Trust may refuse to accept medical evidence from such doctors or medical facilities. In addition, the Trust may develop methods for auditing other types of evidence necessary to support a Claim.

5.7 Resolution of Categorization and Valuation Disputes.

(a) Payment of Claims. If a Claim otherwise meets the criteria for payment of Claims, the Trust will pay the established Payment Percentage of the Scheduled Value for the Scheduled Disease in accordance with the provisions of these Asbestos Claims Procedures.

(b) Litigation. Only claimants who reject the Trust's reevaluation of the Percentage Payment of the Scheduled Value of the Claim pursuant to Section 5.5(i) above retain the right to go to trial against the Trust to determine the validity and the liquidated value, if any, of their Claims. The Trust will not be required to appear in any action brought by a claimant against the Trust nor shall the Trust be subject to party discovery or levy and execution on any

judgment. No punitive damage claim may be asserted against the Trust and pursuant to the Plan and Confirmation Order the Trust shall not pay any punitive damage claims awarded to a claimant. A judgment creditor is eligible for payment from the Trust's Available Cash, as provided in Section 6.4 below, thirty (30) days after the judgment is final and non-appealable or at such time as the Trust's financial condition permits, and in accordance with Section III above.

SECTION VI

Payment Funds

6.4 Creation of Two Funds. The Trust shall establish two (2) separate funds for the payment of Claims asserted against the Trust, to be designated a Fund A and Fund B.

(a) Fund A. Fund A will pay the established Percentage Payment of (i) any deficiency due to a Secured Bonded Judgment holder pursuant to Section 4.2(a); (ii) any Prepetition Liquidated Personal Injury Claims pursuant to Section 4.2(b); (iii) the Claim of any Personal Injury Claimant who accepts an offer from the Trust based on the Scheduled Value for a Scheduled Disease; (iv) the Claim of any Asbestos Personal Injury Claimant who obtains a verdict in the tort system, but only up to the amount of the Scheduled Value for the particular Scheduled Disease Category established at trial.

(b) Fund B. Fund B will pay: (i) any deficiency due a Keene Asbestos Personal Injury Claimant who received a judgment in excess of the Scheduled Value for the Scheduled Disease; (ii) the Claim of any claimant who obtained a judgment or has an accepted Contribution Claim; (iii) any other Personal Injury Claimant not otherwise identified, but in an amount not to exceed the established Payment Percentage of the Scheduled Value for the Claim in question.

(c) Distribution of Trust Cash Between the Fund. The Trust's Available Cash for distribution to Trust beneficiaries shall be held by the Trust for distribution to beneficiaries with determined Fund A Claims until such time if ever that all such beneficiaries have received aggregate payments equalling 85% of the Scheduled Value of their Claims.

(d) Reallocation of Unused Fund A Amounts. If and when all claimants due to receive money from Fund A have been paid or an appropriate reserve for Claims of future claimants has been established, the balance remaining in Fund A will be transferred to Fund B.

SECTION VII

Trust Litigation

7.4 Dismissal of Lawsuits. In order to conserve the assets of the Trust, except as set forth below, holders of Claims are enjoined from filing future litigation against Keene, New Keene, or the Trust, may not proceed in any manner against the Trust, Keene, or New Keene in any state or federal court, and are required to pursue their Claims against the Trust solely as provided in these Asbestos Claims Procedures.

7.5 No Requirement to Appear. Except as provided herein, the Trust shall not be required to enter an appearance in any court as to any Claim, nor shall it be subject to discovery or to default judgment or levy and execution on any judgment and under no circumstances shall the Trust be required to pay Claims, whether for asbestos-related conditions or for contribution or indemnification, except in accordance with these Asbestos Claims Procedures.

7.6 Litigation between Trust Beneficiaries.

(a) Right to Introduce Evidence. In any litigation between Personal Injury Claimants and other asbestos manufacturers, all parties retain their respective rights provided by applicable law in state or federal courts in the appropriate jurisdiction.

(b) Third-party Claims may be asserted against the Trust for the sole purpose of listing the Trust on a verdict form in those jurisdictions where such procedures apply.

7.7 Contribution Claims.

(a) Right to Pursue Contribution Claims Retained. Co-defendants shall have the right to pursue Contribution Claims only where (1) allowed by applicable local law and (2) no set-off credit is allowed by applicable local law. The co-defendant shall not be eligible to assert a Contribution Claim until it has paid the entire amount due to the claimant.

(b) Processing, Valuation and Payment of Contribution Claims. The Trust may establish forms for filing Contribution Claims. Contribution Claims made to the Trust shall be processed in order of their receipt by the Trust, without reference to any list established for Claims of Personal Injury Claimants. Contribution Claims shall be valued by the Scheduled Disease of the underlying Personal Injury Claimant and paid the established Payment Percentage of the Scheduled Value of the claimant's Scheduled Disease.

SECTION VIII

Trust Decisions Final

All decisions made by the Trust with respect to determining Payment Percentages, order of payment, amount and timing of payment, and any other matters covered by these Asbestos Claims Procedures shall be final and binding, and not subject to review.

SECTION IX

Miscellaneous

9.4 Amendments. The Trustees may amend, modify, delete, or add to any of these 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 the advice and consent of the TAC. Notwithstanding anything contained herein to the contrary, these Asbestos Claims Procedures shall not be modified or amended in any way that would jeopardize the validity or enforceability of the Permanent Channeling Injunction.

9.5 Severability. Should any provision contained in the 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 Asbestos Claims Procedures.

9.6 Attorneys' Fees. Attorneys' fees payable in connection with Trust Claims liquidated and paid through these Asbestos Claims Procedures where calculated as a percentage of recovery, shall be the lower of the fee provided in the contract between claimant and counsel or 25%, exclusive of costs chargeable to the claimant. The recovery shall be measured by the actual payments from the Trust to the claimant, not the Scheduled Value of the Claim.

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