

INSTRUCTIONS FOR FILING A CLAIM WITH THE CELOTEX ASBESTOS SETTLEMENT TRUST

The Celotex Asbestos Settlement Trust (Celotex Trust) was established as a result of the bankruptcy of the Celotex Corporation and Carey Canada Inc. The Celotex Trust is organized to process, liquidate and pay all valid asbestos personal injury claims in accordance with the Asbestos Personal Injury Claims Resolution Procedures approved by the bankruptcy court.

Filing Methods:

These procedures provide for the filing of a Discounted Cash Payment (DCP) claim in certain situations, the filing of an Individualized Review Claim (IRC), and Deferral. The purposes of these filing methods are:

- *DCP Claims* - The discounted cash payment election is designed primarily for claimants who easily can be determined by the Trust to have valid Asbestos Personal Injury Claims and who desire to have a fixed and certain payment made expeditiously rather than wait for individualized review. The discounted cash payment method allows claimants to elect a single, cash payment that will be paid rapidly and that requires a less burdensome application process for pursuing claims.
- *IRC Claims* - Individualized review is designed for claimants with serious or fatal asbestos-related injuries whose bodily injury claims (*asbestos personal injury claims*) require the added effort and expense of individualized evaluation. The individualized review provides a claimant with an individual consideration and evaluation of his or her claim. Individualized review is intended to result in payments equal to the full tort system value for each claim times the Payment Percentage. However, claim values will be based on only the several liability of Celotex or Carey Canada, whichever is greater. These payments may be either greater or less than the discounted cash payment that a claimant might have received. Because the detailed examination and individualized valuation of *asbestos personal injury claims* require greater time and effort, claims electing individualized review will be processed and paid after claims filed at the same time electing discounted cash payments.
- *Deferral* – A claimant may elect to defer consideration of his or her claim without waiving any rights to that claim. The claimant may later choose any then available filing or payment option.

Payment Schedule:

Claims will be processed and paid in accordance with the Asbestos Personal Injury Claims Resolution Procedures approved by the bankruptcy court. These procedures provide:

- *DCP Claims* – Claimants electing discounted payments will be considered and paid before claimants filing at the same time who elect individualized review. Claimants who filed claims in the bankruptcy prior to the bar date and who elect discounted cash payment shall be paid by August 31, 1998, if at all practicable. Because discounted cash payments are certain, paid sooner, and require a less burdensome application process, the amount of discounted cash payments may be less than the expected amount of payments for similar claims filing for individualized review.
- *IRC Claims* – Valid IRC claims will be evaluated and offered gross settlement values comparable to the values paid in settlement by Celotex or Carey Canada prior to filing for bankruptcy protection. The Trust will pay only 14.1% of this gross settlement value. 14.1% is the payment percentage established in the Plan or Reorganization to ensure that there are sufficient funds to pay all current and future claimants. Payments will be made on a two-payment basis, with the first payment of one-half of 14.1% of the gross settlement amount and a second payment two years later in a higher or lower amount to reflect any intervening increase or decrease in the payment percentage calculation.

Settlement Offers:

- *DCP Claims* - Valid DCP claims will be paid according to the following schedule: Mesothelioma \$11,000, Lung Cancer \$3,200, Other Cancer \$1,900, Asbestosis \$1,300, and Bilateral Pleural Disease \$650. Payment will be made as soon as practicable after receipt and review of the completed claim forms and receipt of a fully executed release.
- *IRC Claims* - The Trust will offer to liquidate the value of each individualized review claim based on the liquidated values of other similar claims for the same *scheduled disease*. The *scheduled values* were established during the bankruptcy proceeding to reflect tort litigation values and the amounts paid historically by Celotex and Carey Canada as compensatory damages to resolve *asbestos personal injury claims*. Unless an *asbestos personal injury claim* has been determined to be an extraordinary claim, the liquidated value cannot exceed the maximum value for the disease category that applies to the claim. Claim values will be based on only the several liability of Celotex or Carey Canada, whichever is greater. Liability will not be based on theories of conspiracy or concerted action.

The settlement offer for most claims should be near the *scheduled value* for the disease category. The Trust will offer to settle a claim for a liquidated amount

less than the *scheduled value* if the claim is less serious or the credibility of evidence of injuries or asbestos exposure is less than for most claims or the causal relationship between injuries and asbestos exposure is in greater dispute than most claims. The Trust shall value and offer to settle a claim for a liquidated amount in excess of the *scheduled value* if a higher value is clearly justified. Maximum values for each disease category will be paid only to those claimants with highly credible evidence of the most serious injuries and damages within the disease category, definite and severe exposure to Celotex and/or Carey Canada asbestos-containing products, and a clear causal connection of injuries and damages to asbestos exposure.

<u>Category</u>	<u>Scheduled Disease</u>	<u>Scheduled Value</u>	<u>Maximum Value</u>
I	Bilateral Pleural Disease	\$ 8,000	\$ 20,000
II	Nondisabling Bilateral Interstitial Lung Disease	\$ 16,000	\$ 25,600
III	Disabling Bilateral Interstitial Lung Disease	\$ 32,000	\$192,000
IV	Other Cancer	\$ 26,000	\$130,000
V	Lung Cancer (One)	\$ 39,000	\$260,000
VI	Lung Cancer (Two)	\$ 58,000	\$260,000
VII	Malignant Mesothelioma	\$130,000	\$325,000

Releases:

A claimant accepting an offer must execute a full release for all malignancy payments or a limited release for non-malignancy payments. Any claimant who receives a payment for a non-malignant asbestos injury may file a new *asbestos personal injury claim* for an asbestos-related malignancy that is *subsequently* diagnosed. Any additional payments to which such claimant may be entitled shall not be reduced by the amount of the prior payment for a nonmalignant disease.

Appeal or Review of Trust Evaluation of a DCP Claim:

If the Celotex Trust decides that the holder of an *asbestos personal injury claim* should not receive a DCP payment, the decision is not reviewable. However, the claimant may then elect to file an IRC claim using the appropriate forms and procedures. It should be noted, however, that the medical and exposure standards are very similar for DCP and IRC claims.

How to initiate a claim:

- If a claimant is qualified and elects to file a DCP claim, he or she must file a complete ***Discounted Cash Payment Claim Form (DCP)*** and submit all supporting documentation indicated.
- If a claimant elects to file an IRC claim, he or she must file a complete ***Individualized Review Claim Form (IRC)*** and submit all supporting documentation indicated.

Samples of each claim form are enclosed and should be copied to provide forms for all claimants represented by your firm. A claimant must submit the appropriate, fully completed Claim Form, including all supporting information referenced in the form. Any Claim Form that is not completely filled out, or is missing any of the requested information *will be disallowed by the Trust.*

Where to Submit Claim Forms:

All submissions to the Celotex Trust should be addressed to:

Celotex Asbestos Settlement Trust
P.O. Box 1036
Wilmington, DE 19899-1036

How to qualify for payment:

Regardless of the filing option selected by a claimant, to be a valid asbestos personal injury claim, a claimant must provide:

- Evidence that establishes a valid cause of action,
- Convincing evidence of exposure to a Celotex or Carey Canada asbestos product, and
- Convincing evidence of an asbestos-related disease that meets the criteria specified below.

Evidence Required to Establish Exposure to Celotex or Carey Canada Asbestos Products:

Convincing evidence of exposure to Celotex or Carey Canada asbestos-containing products must include the following information:

- Occupation and description of job duties that led to exposure to Celotex or Carey Canada asbestos-containing products.
- Description of the industry where exposed, and why and how the asbestos-containing product was used in this industry, at each specific exposure site.
- Employer(s) or job site(s) where exposure occurred.
- Time period employed at each specific job site.
- Nature of the injured person's exposure to Celotex or Carey Canada asbestos-containing products (e.g., the frequency of exposure, the duration of exposure, whether exposure was from working directly with the product, working in the area where the product was handled, working in the area where the product was present).
- If the claimant was first directly exposed to Celotex or Carey Canada asbestos-containing products *prior to 1975* in any industry other than *shipyards, insulation, utilities, or petrochemical* the claim filing must include:
 - All available evidence that conclusively demonstrates the presence of Celotex or Carey Canada asbestos-containing products at the site of the

claimed exposure, at the time the claimant worked at the site. This evidence should include, where possible, proof of purchase, affidavits of those who purchased products, identification of others knowledgeable of the products used or installed at the site.

- If the claimant was first exposed to Celotex or Carey Canada asbestos-containing products *after 1975*, the claim filing must include:
 - Demonstrated employment in an occupation involving maintenance, rip-out, renovation, or repair of equipment or facilities where Celotex or Carey Canada asbestos-containing products were used.

Evidence Required to Establish an Asbestos-Related Disease for DCP Claimants:

For Non-Malignancy Claims – A medical report documenting the diagnosis of the claimed disease by an internal medicine or pulmonary medicine specialist or other appropriate specialist based on either a physical examination of the claimant by that doctor, a physical examination by another doctor whose physical examination and findings are reliable or a pathologist’s examination for a deceased claimant; and chest x-ray evidence of asbestos-related disease.

For Malignancy Claims – A medical report documenting the diagnosis of the claimed disease by an internal medicine or pulmonary medicine specialist or other appropriate specialist based on either a physical examination of the claimant by that doctor, a physical examination by another doctor whose physical examination and findings are reliable or a pathologist’s examination for a deceased claimant, and

For a malignancy claim, other than malignant mesothelioma, either evidence that the claimant also had a non-malignant disease that qualifies under categories I, II or III below or a medical report that exposure to asbestos was a substantial cause of the cancer.

Category I: Bilateral Pleural Disease

1. The claimant must document bilateral pleural disease (plaques or thickening) diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological evidence; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of bilateral pleural disease.

Category II: Non-disabling Bilateral Interstitial Lung Disease

1. The claimant must document bilateral interstitial lung disease diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological evidence, and submit either:

- a. A medical report stating that a causal relationship exists between asbestos exposure and the bilateral interstitial lung disease; or
 - b. Documentation of the presence of either unilateral or bilateral pleural disease accompanying the bilateral interstitial lung disease; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of bilateral interstitial disease.

Category III: Disabling Bilateral Interstitial Lung Disease

1. The claimant must document bilateral interstitial lung disease diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological evidence; and
2. The claimant must document disability or impairment evidenced by pulmonary function tests (PFTs), total lung capacity (TLC) forced vital capacity (FVC), or diffusing capacity (DLCO) of less than 80%; and
3. The claimant must submit a medical report stating that a causal relationship exists between asbestos exposure and the bilateral interstitial lung disease; and
4. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of bilateral interstitial disease.

Evidence Required to Establish an Asbestos-Related Disease for IRC Claimants:

For Non-Malignancy Claims – A medical report documenting the diagnosis of the claimed disease by an internal medicine or pulmonary medicine specialist or other appropriate specialist based on either a physical examination of the claimant by that doctor, a physical examination by another doctor whose physical examination and findings are reliable or a pathologist’s examination for a deceased claimant; and chest x-ray evidence of asbestos-related disease.

For Malignancy Claims – A medical report documenting the diagnosis of the claimed disease by an internal medicine or pulmonary medicine specialist or other appropriate specialist based on either a physical examination of the claimant by that doctor, a physical examination by another doctor whose physical examination and findings are reliable or a pathologist’s examination for a deceased claimant, and

For a malignancy claim, other than malignant mesothelioma, either evidence that the claimant also had a non-malignant disease that qualifies under categories I, II or III below or a medical report that exposure to asbestos was a substantial cause of the cancer.

The evidence required for each alleged disease category is as follows:

Category I: Bilateral Pleural Disease

1. The claimant must document bilateral pleural disease (plaques or thickening) diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological, evidence; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of bilateral pleural disease.

Category II: Nondisabling Bilateral Interstitial

1. The claimant must document bilateral interstitial lung disease diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological evidence, and submit either:
 - a. A medical report stating that a causal relationship exists between asbestos exposure and the bilateral interstitial lung disease; or
 - b. Documentation of the presence of either unilateral or bilateral pleural disease accompanying the bilateral interstitial lung disease; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of bilateral interstitial disease.

Category III: Disabling Bilateral Interstitial Lung Disease

1. The claimant must document bilateral interstitial lung disease diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological evidence; and
2. The claimant must document disability or impairment evidenced by pulmonary function tests (PFTs), total lung capacity (TLC) forced vital capacity (FVC), or diffusing capacity (DLCO) of less than 80%; and
3. The claimant must submit a medical report stating that a causal relationship exists between asbestos exposure and the bilateral interstitial lung disease; and
4. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of bilateral interstitial disease.

Category IV: Other Cancers

1. The claimant must demonstrate by medical report the existence of primary asbestos-related cancer of one of the following sites:
 - a. Colo-rectal;
 - b. Laryngeal;
 - c. Esophageal; or

- d. Pharyngeal; and
2. The claimant must demonstrate by medical report the existence of one of the following:
 - a. Bilateral interstitial lung disease;
 - b. Bilateral pleural disease (thickening or plaques); or
 - c. Pathological evidence of asbestosis; and
 3. The proof of claim must establish occupational exposure to asbestos during an aggregate of three (3) years or twelve (12) quarters of employment and 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer.

Category V: Lung Cancers (One)

1. The claimant must demonstrate by medical report the existence of primary asbestos-related cancer of the lung; and
2. The claimant must demonstrate at least 15 years of occupational exposure to asbestos-containing materials in employment regularly requiring work in the immediate area of visible asbestos dust; and
3. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer.

Category VI: Lung Cancers (Two)

1. The claimant must demonstrate by medical report the existence of primary asbestos-related cancer of the lung; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer; and the claimant must:
 - a. Be a nonsmoker (has not smoked cigarettes for at least 15 years prior to diagnosis) and demonstrate by documentation such as Social Security records or a medical report with claimant's work history, occupational exposure to asbestos during an aggregate of three years or 12 quarters of employment; or
 - b. Demonstrate by medical report the existence of one of the following:

Bilateral interstitial lung disease;

Bilateral pleural disease (thickening or plaques); or
Pathological evidence of asbestosis.

Category VII: Malignant Mesothelioma:

1. The claimant must demonstrate by medical report referencing pathological findings of the existence of malignant mesothelioma; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer

Statutes of limitation on filing a claim:

As you know, the filing of bankruptcy by Celotex on October 12, 1990 stopped the running of the statute of limitations as of that date. The Company emerged from bankruptcy on May 30, 1997. However, the Trust has elected to defer the date on which the statute of limitations starts running to February 1, 1998.

Each eligible claimant first diagnosed with an asbestos-related disease before February 1, 1998 will have the full period provided under the applicable statute of limitations in his or her jurisdiction, commencing February 1, 1998. No portion of the statute will be deemed to have run before February 1, 1998. For claimants first diagnosed after February 1, 1998, the applicable statute of limitations will run from the date of diagnosis. In all cases, the Trust will allow a 60-day grace period in addition to the normal limitations period.

Claimants for whom the applicable statute of limitations expired prior to October 12, 1990 are **not eligible to file a claim against the Trust**. Note also that claimants who were required to file a proof of claim in the Celotex or Carey Canada bankruptcy case and who failed to do so are **not eligible to file a claim against the Trust**.

Notification and election of Trust processing prior to trial:

The Celotex Trust's personal injury claims procedures have a unique feature that affects claimants' rights against asbestos manufacturers other than Celotex and Carey Canada. These are the procedures regarding *Indirect Asbestos Claims* that appear in Section 9 of the Asbestos Personal Injury Claims Resolution Procedures. In general, all personal injury claimants are required to elect whether to have their claim liquidated by the Trust before going to trial against any other asbestos defendant whom they, or the other asbestos defendant, assert Celotex or Carey Canada is jointly, or jointly and severally, liable. If the claimant elects not to have his or her claim against Celotex or Carey Canada liquidated by the Trust prior to trial, the other asbestos defendant will succeed to all the claimants' rights against the Trust. If the claimant elects to have his or her claim liquidated by the Trust prior to trial, the claimant's judgment or verdict against the other asbestos defendant will be reduced by the amount for which the claim is liquidated. **A claimant shall be deemed to have elected to waive the right to liquidate his or her claim with the Trust unless the claimant, no later than 90 days before trial, notifies the Trust in writing of his or her election to have their claim liquidated by the Trust.**

Deadline for submitting a claim form:

There is no deadline for submitting DCP or IRC claims other than the requirements imposed by the applicable statute of limitation or the notification and election of Trust processing prior to trial.

Questions and Assistance:

If you have questions concerning these filing procedures or forms, you may reach the Trust in a variety of ways. You can call our toll free HelpLine to speak to a Trust representative at (888) 872-3160 and the website address is *www.celotextrust.com*.