

**MANVILLE PERSONAL INJURY SETTLEMENT TRUST
ALTERNATIVE DISPUTE RESOLUTION
(ADR) PROCEDURES**

October 1, 1995

These Alternative Dispute Resolution (ADR) procedures support the Matrix-based Trust Distribution Process (TDP). The Trust's implementation of these procedures will not be construed as imparting to any claimant any substantive or procedural rights beyond those conferred by the Second Amended and Restated Plan of Reorganization ("the Plan") and the Stipulation of Settlement approved by the Class Action Courts on January 19, 1995. The timing guidelines included in these procedures are goals. Depending upon the volume of ADR requests, adjustment of these timing guidelines may be necessary.

The Trust has taken the following steps toward implementing claimants' TDP ADR options:

1. An ADR Administrator ("the Administrator") has been added to the Trust staff to administer and monitor the arbitration process. The Administrator will gather the submissions, prepare a referral letter and send these and other forms, envelopes and materials to assigned arbitrators.

2. Arbitrators have been selected and trained for the following positions:

A. Three-Person Extraordinary Claim Panel

One (1) Neutral member

One (1) Claimants' representative

One (1) Trust representative

B. Categorization and Individual Evaluation Arbitration Panel

Twenty arbitrators have been selected and trained to review Matrix Categorization disputes and claims for which arbitration is requested following Individual Evaluation. A single arbitrator from this Panel will be assigned to review each claim. Arbitrator assignments will be made on a rotating basis within regions. Depending upon the volume of requests for this option, additional members may be added to this Panel.

3. A Panel of Independent Medical Experts has been designated to review disputed medical issues and advise arbitrators. Their participation can be requested by the claimant, the Trust or the arbitrator. This Panel will also be available to conduct Independent Medical Evaluations.

EXTRAORDINARY CLAIM REVIEW

Claims for which the last demand exceeds the Maximum Value payment described in Attachment A to the TDP will be reviewed by an Extraordinary Claim Panel before they are submitted to arbitration. The purpose of this review is to ensure uniformity with respect to decisions concerning whether a claim involves a "truly extraordinary case" as required by Section C, paragraph 9 of the TDP. Requests to arbitrate such claims will be treated as requests for Extraordinary Claim Panel review. Unless the Trust or the Extraordinary Claim Panel determines that a claim is extraordinary, arbitration awards may not exceed the Maximum Values described in Attachment A to the TDP.

All Extraordinary Claim reviews will be based upon written submissions. A majority ruling by the three-member Extraordinary Claim Panel is required for all decisions.

Claimants requesting Extraordinary Claim review will send their written submissions for the Extraordinary Claim Panel to a designated Administrator at the Trust. As part of these submissions, claimants should document the circumstances they think merit Extraordinary Claim status for their claims. The Trust will have ten days from its receipt of the claimant's written submissions to file a written response. Thereafter, the claimant will have five days from receipt of the Trust's response to file a rebuttal with the Extraordinary Claim Panel or notify the Administrator that no rebuttal will be submitted. The claim will not be referred to the Extraordinary Claim Panel until this rebuttal or notification is received by the Administrator. Initially, claims will be scheduled for review by the Extraordinary Claim Panel at least once a month.

After the Extraordinary Claim Panel determines whether a claim is entitled to "truly extraordinary case" treatment, the claimant and the Trust will have an opportunity to review the file in light of that determination. If the Extraordinary Claim Panel decides that the claim is entitled to "truly extraordinary case" treatment, the Trust will review and may revise its offer. If the value dispute is not resolved by this revised offer process, claimant can proceed to arbitration with a demand that exceeds the Maximum Value for its Category. If the Panel decides that a claim is not entitled to Extraordinary Claim status, claimant may lower the demand to place it within the TDP guidelines. If the parties are still unable to agree on the value of the claim, the claim will be referred to arbitration. The result of the Panel's review shall be made known to the arbitrator to whom the claim is referred. If the Extraordinary Claim Panel determines that a claim is not entitled to "truly extraordinary case" treatment, arbitrators shall not be permitted to make awards above the Maximum Values described in Attachment A to the TDP.

- 1. Upon receipt of a written request for Extraordinary Claim Panel review, claims will be referred to the Panel in groups of five. Depending on the volume of requests and experience with the first groups, this number may be increased.**
- 2. The Trust will designate an Administrator (a Trust employee) for each group of claims. This person will gather the submissions, prepare a referral letter to the Panel, and send**

these and other forms, envelopes and materials to the Panel Members. The referral letter will include a date and time for a conference call to discuss the claims. The Administrator will organize and place the conference call.

3. In preparation for that call, the Panel Members will individually review each request, and be ready to discuss their positions and decisions during the conference call. If further information is needed or if the Panel Members agree that a conference call with the claimant, counsel, or a witness, such as a doctor, is needed, the Administrator will identify and provide the information or arrange a second conference call as requested. If the Panel Members request that a represented claimant be included in a conference call, contact with the claimant will be made through their counsel. Unless there is an issue that must be addressed by counsel, the identity of the counsel and their respective firm will not be part of the submissions.
4. After the Panel Members reach a decision upon which two or all of them agree, they will submit their individual decision reports -- a form on which they will need to make only limited selections and comments -- to the Administrator, who will inform the claimant or his or her counsel (hereinafter "claimant") of the decision. The Trust will provide a stamped, pre-addressed envelope for Panel Members to send their reports to the Administrator.

CATEGORIZATION ARBITRATION (AD1)

Categorization Arbitration (AD1) is for disputes concerning the Trust's categorization of the claim. This ADR option should not be elected for claims where the value of the claim is in dispute.

The arbitration will be based solely on written submissions. To the extent possible, the parties will stipulate to the facts and narrowly identify the issues in dispute, agree on joint exhibits such as the Proof of Claim form, medical records, and other standard submissions, and stipulate to the Trust's (Manville's) share of total liability.

If the arbitrator determines that further information is needed or that a conference call with the claimant, counsel, or a witness, such as a doctor, is needed, the Administrator will identify and provide the requested information or arrange a conference call as requested. If the arbitrator requests that a represented claimant be included in a conference call, contact with them will be made through their counsel.

After the arbitrator reaches a decision, he or she will submit a completed Summary and Decision form on which they will need to make only limited selections and comments to the Administrator, who will inform the claimant of the decision.

Where there are disputed medical issues, either during Categorization Arbitration or Arbitration following Individual Evaluation, and if the claimant has not submitted to an independent medical examination within two years of the scheduled arbitration, the Trust may request, and the claimant must submit to, an independent medical examination by a physician selected by the Trust. Such independent medical examination, which will be paid for by the Trust, may include medical tests such as chest X-rays and pulmonary function tests.

If the arbitrator agrees with the claimant's position as to category, the decision is binding. The claimant will be paid the scheduled value for the requested category. The claimant is not entitled to Individual Evaluation, Arbitration following Individual Evaluation or litigation. If the arbitrator does not agree with the claimant's position, the claimant may elect Individual Evaluation.

ARBITRATION FOLLOWING INDIVIDUAL EVALUATION (AD2)

Arbitration following Individual Evaluation is used to address disputes concerning the Trust's denial, offer or evaluation of the claim. Issues such as value, liability share, sufficiency of evidence of exposure, latency, timeliness of filing (Statute of Limitation) and other traditional tort valuation factors are raised in this arbitration option. Categorization is the only issue not addressed in this AD2 option. Claims must be submitted to Individual Evaluation and the Individual Evaluation offer must be rejected before a claim is eligible for AD2.

The arbitration will be based solely on written submissions. To the extent possible, the parties will stipulate to the facts and narrowly identify the issues in dispute, agree on joint exhibits such as the Proof of Claim form, medical records, and other standard submissions, and stipulate to the Trust's (Manville's) share of total liability. The arbitrator will be permitted to direct written inquiries to the parties in order to clarify the written submissions. The arbitrator may, at his or her discretion, hold a telephone conference with counsel for the parties. Any written inquiries or requests for a conference call should be made through the Administrator.

The claimant may elect "Baseball arbitration" or "Night Baseball arbitration." Pursuant to Baseball arbitration, an arbitrator will be told the amount of the Trust's final offer and the amount of the claimant's final demand. The arbitrator's award, if any, will be one of these two amounts. An arbitrator will not be permitted to make any other award.

If the claimant elects Night Baseball, the arbitrator will not be told the amount of the Trust's final offer or the claimant's final demand. However, if the arbitrator's award is more than the Trust's final offer and less than the claimant's final demand, that is, it is an amount in between the final offer and demand, the party whose offer or demand is the closest to the arbitrator's award is the party whose offer or demand becomes the award. If the arbitrator's award is higher than the claimant's final demand, the final demand becomes the award. If the award is less than the Trust's final offer, the final offer becomes the award.

As under the Federal Arbitration Act, 9 U.S.C. § 7, Trust arbitrators may issue subpoenas, if necessary, for documents deemed material as evidence in the case. They may subpoena witnesses to appear before them based on a good faith showing that the witness is necessary and relevant to the issue in dispute. If the claimant has previously answered interrogatories pursuant to litigation with co-defendants, those interrogatories must be submitted to the Trust with the claimant's ADR Election form and supporting submissions. If the claimant has not provided all mandatory Proof of Claim ("POC") information, he/she must respond to interrogatories submitted by the Trust within ten days of their receipt. For the purpose of conserving transaction costs, depositions are discouraged. However, the Trust may request and the claimant must attend a deposition lasting no more than two hours, which deposition must be taken in close proximity to the claimant's home or office or conducted by telephone conference call.

Disputes concerning discovery shall be presented in a conference call to the arbitrator for resolution. The arbitrator has the authority to enforce timely compliance with requests for discovery and may postpone his/her decisions regarding awards until discovery has been completed.

Arbitration pursuant to these procedures may be either binding or non-binding. Only claimants who select non-binding arbitration and reject the award may proceed to litigation.

Arbitration awards are to be compensatory only. Neither punitive damages nor interest can be assessed against the Trust. The arbitrator should determine the total value of claimant's compensatory damages and calculate the Trust's share of those damages based on the agreed or determined Manville liability share.

The arbitrator's award, which will be submitted on a completed Summary and Award form, will state the sum of money, if any, awarded a claimant by the arbitrator in settlement of the claim against the Trust, and shall be based upon the claimant's legal right to recovery from the Trust, severally and not jointly, based upon applicable tort law. The arbitrator is to notify the Administrator of the awards within five working days of receiving the claims, or within five days of the date all requested information is submitted. The Administrator will notify the claimants and the Trust of the award.

Neither party will have the right to appeal or contest the award except for the grounds set forth in Federal Arbitration Act, 9 U.S.C. §10. If either party believes the award contains a misidentification of a party, or that a mathematical or typographical error is involved, the party should send written notification to the arbitrator and the other party within ten business days of the party's receipt of the award. The issue will be submitted to the arbitrator for an explanation and possible correction. The date of the arbitrator's award will become the date from which the payment date is computed unless there are post-award proceedings.

ADR SUBMISSIONS AND PROCESSES FOR AD1 AND AD2

After Arbitration is requested, the Administrator will send an Arbitration Election form to the claimant or claimant's counsel (hereinafter "claimant"). This form will be accompanied by a copy of the proposed arbitrator's resume, Certificate of Completeness, and copies of the key ADR diagrams and procedures. Upon receipt of the claimant's Arbitration Election form, Certificate of Completeness and statement of position, the Administrator will send the claimant a copy of the Summary and Decision form or Summary and Award form, which identifies the issues in dispute, and the Trust's statement of position. Any recommendations for change to the Summary of Decision form, Summary and Award form or rebuttal to the Trust's position must be made within five days. After expiration of the five-day period, the Administrator will assemble the Arbitration file and forward copies to the arbitrator and the claimant.

Only documents that have been submitted to the Trust during Categorization Arbitration or Arbitration following Individual Evaluation may be submitted to the arbitrator. Any document submitted after that time will not be forwarded to the arbitrator or considered unless it identifies a material change in post-submission diagnosis. If the claimant submits documents to the arbitrator during an arbitration that were not made available to the Trust during Categorization or Individual Evaluation, the Trust shall have the right to tell the arbitrator that the documents were not proffered during such negotiations and are therefore not to be considered in making the award. This requirement ensures that the claim submitted to ADR is not materially different from the claim which was the subject of the negotiations.

As a condition precedent to arbitration, claimants shall furnish all requested records to the Trust. Records that must be made available if requested include the following: employment records; Internal Revenue Service records; prior Social Security or Veteran's Administration claims; any medical records the Trust or the claimant deems relevant, including those which are listed as optional on the Trust Proof of Claim form; a listing of all treating physicians or institutions that have provided care within the last ten years; prior independent medical examinations; and prior interrogatories and depositions of the claimant, co-workers, treating physicians or medical witnesses, if taken.

Formal court rules of evidence do not apply to arbitrations. Arbitrators shall consider relevance, fairness, and reliability when ruling on the admission of evidence. Objections to evidence should be kept to a minimum. Prior judgments and settlements awarded to the claimant will be admissible and the party with such information must make it available. Where such judgments and settlements are paid over time, the claimant will be entitled to present evidence concerning the present value of such payments.

The following documents and exhibits are presumed admissible at the arbitration hearing without further proof of authentication: Trust Proof of Claim form; sworn answers to interrogatories from any prior proceeding or litigation; medical reports and records, including all bills and statements for medical services, prescriptions, or other related expenses on a

letterhead or billhead; employment records; Social Security printouts; workers' compensation records; signed income tax returns and wage information provided by an employer; sworn affidavits of the claimant or co-workers as to exposure history, product identification, liability share, or other related issues; deposition transcripts of claimants, co-workers, or physicians taken during any other proceeding (these records may be used in lieu of live testimony even if the claimant, Manville, and/or the Manville Trust were not parties or present). Videotaped testimony taken for any proceeding is admissible. To the extent either party seeks to introduce a portion of a deposition or testimony, the other side will be allowed to respond by including any or all additional portions of the testimony. Any document or exhibit not specifically covered by the foregoing but having equivalent circumstantial guarantees of trustworthiness, and the admission of which would serve the interest of justice, shall be admissible.

The Trust will pay the arbitrator's fee, up to \$200.00 per claim. Claimants will pay their own costs and attorneys' fees.

CONFIDENTIALITY

All ADR proceedings and information relating to the proceedings will be confidential. No information, evidence or admission of either party, or the valuation placed on the case by an arbitrator may be disclosed to anyone or used in any further proceeding except as necessary to maintain the Trust's obligation to report to the United States Bankruptcy Court for the Southern District of New York and to provide for ongoing evaluation by the Trust and the Selected Counsel for the Beneficiaries (SCB). Except for documents prepared by a non-party which are introduced as evidence before an arbitrator, any document prepared by any party, attorney or other participant is privileged and shall not be disclosed to any court or arbitrator or construed for any purpose as an admission against interest.

All ADR proceedings shall be deemed settlement conferences pursuant to Rule 408 of the Federal Rules of Evidence. Except by agreement of the parties, the parties will not introduce into evidence in any other proceeding the fact that there was an arbitration, the nature or amount of any award, or any other matter concerning the conduct of the arbitration. A written settlement agreement or arbitrator's award, and written submissions, may be used for purposes of showing accord and satisfaction or res judicata. No arbitrator will ever be subpoenaed or otherwise required by any party or any third party, to testify or produce records, notes or work product in any future proceeding.

PAYMENT TERMS

Claimants receiving awards made pursuant to these procedures will be paid an initial payment based upon the pro rata percentage in effect at the time of the award. This initial payment will be made within twenty business days following written notice of acceptance of the award. Subsequent payments will be made pursuant to the terms of the TDP. It is unlikely, however, the claimant will receive any subsequent payments.