

**NORTH AMERICAN REFRACTORIES COMPANY ASBESTOS PERSONAL INJURY
SETTLEMENT TRUST**

Claims Audit Program

Section 4.8(a) of the Third Amended North American Refractories Company (“NARCO”) Asbestos Personal Injury Settlement Trust Distribution Procedures (the “TDP”) provides that the NARCO Asbestos Personal Injury Settlement Trust (the “Trust”), with the consent of the NARCO Asbestos Trust Advisory Committee (“TAC”) and the NARCO Asbestos Future Claimants Representative (“FCR”), “developed methods for auditing the reliability of medical evidence, including additional reading of X-rays and verification of pulmonary function tests, as well as the reliability of evidence of exposure to asbestos, including exposure to asbestos-containing products manufactured, sold or distributed by NARCO or its predecessors. The NARCO Asbestos Trust may also conduct random or other audits to verify medical and exposure information submitted in connection with [the TDP].”

The Trust, with the consent of the TAC and FCR, has determined to implement Section 4.8(a) of the TDP by adopting this “Claims Audit Program.” The Claims Audit Program establishes an audit process designed to ensure that each law firm¹ maintains within its claim files documentation that supports the information submitted to the Trust either electronically or by hard copy and that each law firm complies with the terms and conditions of the TDP and applicable electronic filing agreements regarding the reliability of medical and exposure evidence.

Audits will be conducted by an auditor selected by the Trust (the “Auditor”).

The Auditor will prepare summary claims audit reports of the results of the audits, with personal health information and personal confidential information redacted, for the Trustees. The Trustees will provide the TAC and FCR with reports regarding the Claims Audit Program. With experience, the Trustees will consult with the TAC and FCR on the efficiency and efficacy of the audits and the results of the Claims Audit Program. The Trustees will consult with the TAC and FCR on any expanded or targeted audits and the results of those audits, with appropriate redactions, provided, however, that if any audit is to include a TAC firm, then the Trust will not consult with the TAC.

In the first instance, the Trustees may develop statistical based sampling methods and analytical based sampling methods for possible use in the selection of claims to be audited.

The Trustees will meet quarterly with the TAC and FCR to consider recommendations and suggestions of the TAC and FCR regarding the Claims Audit Program.

¹ For purposes of this Claims Audit Program, each pro se claimant will be treated as a law firm.

The Claims Audit Program does not preclude the Trustees from conducting an audit of a claim and/or a law firm in the event the Trustees have reason to question the reliability and/or the verifiability of the information provided to the Trust in support of a claim.

I. Random Audit of Claims

A. Random Audit Sample Selection

Subject to direction by the Trustees, the Auditor will select an appropriate number of claims for audit to achieve the purposes of the audit. The claims from which the sample will be selected will consist of all Annual Contribution Claims in the Payment Queue.

Each claim selected for the audit sample will immediately be placed on administrative hold until the documentation required for the audit has been received from the law firm and the Trust has satisfactorily completed the review.

The Auditor will electronically notify a law firm of a claim selected for audit. The law firm will have one hundred twenty (120) days from the date of the notice to satisfactorily provide the requested documentation for each claim selected.

If a law firm fails to comply with the audit request, the Trustees may in their discretion direct the Trust's claims facility to suspend processing and/or paying claims filed by the non-responsive law firm or take such other action as the Trustees deem appropriate.

The Auditor will endeavor to complete the audit within thirty (30) days following submission by the law firm of all requested information.

B. Documentation Requirements

For each claim sampled, on the request of the Trust, the law firm will be required to provide all non-privileged documents in its possession listed below:

1. Answers to interrogatories and depositions.
 - a. Where the claimant provides a portion of interrogatory responses or a partial deposition transcript, the Trust requires that the entire set of interrogatory responses or deposition transcript be provided. The audit will address compliance with this requirement.
 - b. If the injured party, the claimant,² or the exposure affiant³ answered interrogatories or was deposed in an asbestos-related personal injury lawsuit filed by or on behalf of the injured party, the law firm will provide the full set of interrogatory responses and

² For the purposes of this document, the "claimant" refers to the person who filed the claim on behalf of the injured party. The claimant and injured party may be the same person, but in cases where the injured party is deceased or incapacitated, the claimant as used herein refers to the person filing the claim on their behalf. Examples could be a representative of the estate of the deceased or a family member.

³ The "exposure affiant" refers to any person other than a co-worker who provided an affidavit to the NARCO Trust in support of the claim. The exposure affiant could be the claimant, injured party, or someone else.

- deposition transcripts, whether submitted as part of the claim filing or not.
- c. Additionally, if the claim is a Secondary Exposure Claim, as defined in Section 4.5 of the TDP (a “Secondary Exposure Claim”), and the applicable occupationally exposed person answered interrogatories or was deposed in an asbestos-related personal injury lawsuit, to the extent the interrogatory responses or deposition transcripts contain information regarding the occupationally exposed person’s exposure to asbestos during the period of time the injured party is alleging secondary exposure to a NARCO asbestos-containing product, the law firm will provide the full set of such interrogatory responses and deposition transcripts, whether submitted as part of the claim filing or not.
2. Co-worker interrogatories and depositions:
 - a. Where the claimant provides a portion of interrogatory responses or a partial deposition transcript from a co-worker of the injured party,⁴ the Trust requires that the entire set of interrogatory responses or deposition transcript be provided. The audit will address compliance with this requirement.
 - b. If a co-worker was deposed in an asbestos-related personal injury lawsuit filed by or on behalf of the injured party, the law firm will provide the full set of deposition transcripts, whether submitted as part of the claim filing or not. Depositions that do not relate to the time period of the injured party’s exposure to a NARCO asbestos-containing product do not have to be submitted to the NARCO Trust, unless the deposition: (1) names the injured party; and (2) contradicts the evidence of the injured party’s exposure to a NARCO asbestos-containing product.
 3. Verified work histories. If the law firm has a verified work history of the injured party,⁵ the law firm will provide the verified work histories for audit review, whether submitted as part of the claim filing or not.
 4. Social Security records. If the law firm has social security records of the injured party,⁶ the law firm will provide the social security records for audit review, whether submitted as part of the claim filing or not.
 5. All affidavits from the injured party or from a person other than the injured party that include information that bears on an injured party’s exposure to a NARCO asbestos-containing product (whether or not the affidavits mentioned NARCO) and were submitted on behalf of the injured party to a court, an insurance company, or an asbestos defendant in the tort system in an effort to support an asbestos claim, must also be

⁴ In the case of a Secondary Exposure Claim, this reference to “injured party” shall be to the applicable occupationally exposed person.

⁵ In the case of a Secondary Exposure Claim, this reference to “injured party” shall be to the applicable occupationally exposed person.

⁶ In the case of a Secondary Exposure Claim, this reference to “injured party” shall be to the applicable occupationally exposed person.

submitted. Such affidavits must be submitted regardless of whether they tend to support the claim of exposure to a NARCO asbestos-containing product. Affidavits that do not relate to the time period of the injured party's exposure to a NARCO asbestos-containing product do not have to be submitted to the NARCO Trust, unless the affidavit: (1) names the injured party; and (2) contradicts the evidence of the injured party's exposure to a NARCO asbestos-containing product. Affidavits that were submitted to other asbestos trusts only do not have to be submitted to the NARCO Trust.

6. Complaints/Petitions for lawsuits against NARCO and/or Honeywell International, Inc. ("Honeywell") by or on behalf of the claimant or injured party for all claims alleging exposure to a NARCO asbestos-containing product.
7. All B-reading interpretations and ILO forms (except for Disease Level VII claims) of the injured party whether submitted as part of the claim filing or not.
8. All chest x-ray/chest CT scan reports (except for Disease Level VII claims) of the injured party whether submitted as part of the claim filing or not.
9. All pulmonary function tests (including tracings and flow volume loops) for Disease Levels II and III only of the injured party whether submitted as part of the claim filing or not.
10. All pathology or autopsy reports of the injured party documenting asbestosis, asbestos-related pleural disease, malignant mesothelioma or a primary carcinoma of the lung, colon, esophagus, larynx, pharynx or stomach, whether submitted as part of the claim filing or not.
11. Admission, history and physical and discharge summaries of any hospitalizations for asbestos-related disease and/or any malignant disease which is recognized as compensable by the Trust of the injured party whether submitted as part of the claim filing or not.
12. All physical examination or pulmonary consultation reports of the injured party, whether submitted as part of the claim filing or not.
13. All non-privileged interpretive reports of the injured party provided by experts retained by counsel or the claimant to review tests, x-rays, or diagnostic reports in order to render an opinion, whether submitted as part of the claim filing or not.
14. Documents sufficient to establish proof of the claimant's identity.
15. Evidence supporting the selected Claimant's Jurisdiction.
16. Documents supporting asserted economic loss, if any, other than documents already submitted to the Trust.
17. Documents evidencing the time of the injured party's⁷ occupational exposure, such as employment records, wage statements, or other records describing occupation and/or job function.
18. Releases by or on behalf of the injured party for any claims against NARCO and/or Honeywell.

⁷ In the case of a Secondary Exposure Claim, this reference to "injured party" shall be to the applicable occupationally exposed person.

The Trust will not require the production of original x-ray films and will not be re-reading such films or retesting claimants in the normal course of the claims audit.

C. Review

The Auditor will review all documentation provided by the law firm to address the following questions for each claim:

1. Is there documentation within the law firm's file to support the reliability of the exposure and medical information submitted to the Trust?
2. Is there documentation to support that the claim was filed in keeping with all applicable state or federal statutes of limitations?
3. Is there medical documentation consistent with established medical guidelines for establishing a diagnosis of an asbestos-related disease and supportive of the disease level submitted to the Trust?
4. Does the review of the documentation provided as part of the audit indicate that the original claim submission, including medical and exposure evidence, was inconsistent or otherwise unreliable?
5. Did the claimant and/or his/her law firm comply with the submission requirements outlined by the Trust and under the TDP?

D. Issue Identification

After review, in the event of any findings of concern, the Auditor will communicate the details of the findings to the law firm and the Trustees and request additional information or explanation. If the law firm fails to provide additional information, or disputes the findings, the Auditor will inform the Trustees and request direction for the appropriate course of action.

Issues will be discussed with the Trustees on a regular basis throughout the course of the audit.

II. Expanded Audits

The Trustees may expand the scope of the audit of any claim and/or law firm in their discretion as they see fit. Notwithstanding anything herein to the contrary, in an expanded audit, the Trustees may require the submission of all non-privileged information in the law firm's possession regarding the injured party that the Trustees believe, in their discretion, would address the issue(s) identified but not resolved. In an expanded audit, the Trust has the right to scrutinize any claim at any time regardless of the status of the claim.

III. Conclusion of Audit

A. Reporting Results

Upon the conclusion of each audit, the Auditor will inform the Trustees of the findings and results of the audits and may recommend specific actions to be taken as a result of any (i) lack of resolution of identified issue(s), (ii) systemic issues identified, or (iii) adverse findings that require corrective and/or disciplinary action.

Depending on the nature of the issue to be addressed, subject to the provisions of the TDP, the Trustees may direct revisions to any Trust procedures, claims materials, filing requirements or the electronic filing system.

B. Management Representation

Upon conclusion of the audit, each law firm will be required to sign a law firm management representation letter in a form satisfactory to the Trust.

C. Unsatisfactory Results

At the conclusion of the audit process, if the Trustees conclude in their discretion that it is appropriate, the Trust may take any such actions against any individual, entity, claimant, or claimant's attorney as are permitted under section 4.8(a) of the TDP.

The Auditor will communicate any potentially adverse findings to the law firm.

The law firm will be given an opportunity to resolve any issue before any punitive follow-up actions are taken by the Trust.

The particular nature of any sanctions to be imposed against a law firm will be discussed by the Trustees and their professionals as the need arises. The Trustees shall determine, in their discretion, which (if any) sanctions to impose.

IV. Retention of Audit Materials

Unless directed otherwise by the Trust, within 30 days of the Trustees' acceptance of the Auditor's report indicating a claim audit achieved a satisfactory result, the Auditor will return to the law firm all documents and information produced by the law firm in connection with the audit. In all cases, the Auditor and the Trust shall retain a record of all communications between the Auditor, the law firm or claimant, and the Trustees or their delegates and a document log or other record identifying the documents and information that were produced in connection with the audit, so that an audit trail is established. With respect to any claim for which the audit result was not satisfactory as determined by the Trust, the Trust shall retain copies of all or a portion of the documents and information produced in connection with the audit.