AVON LIQUIDATION
TRUST DISTRIBUTION PROCEDURES

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The Avon Liquidation Trust Distribution Procedures ("**TDP**") contained herein set forth procedures for resolution of all Talc Claims as defined in the Joint Chapter 11 Plan of Liquidation of AIO US, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code, dated February 28, 2025 (as it may be amended or modified, the "**Plan**"),[1] as provided in the Plan and the ALT Trust Agreement (the "**Trust Agreement**"). The Plan and the Trust Agreement establish the Avon Liquidation Trust (the **"Trust"**). The trustee of the Trust (the "**Liquidating Trustee**") shall implement and administer this TDP in accordance with the Trust Agreement.

SECTION I

Introduction

1.1 Purpose. This TDP has been adopted pursuant to the Trust Agreement. It is designed to provide fair, equitable and substantially similar treatment for and among all Talc Claims.

1.2 Interpretation. Except as may otherwise be provided below, nothing in this TDP shall be deemed to create a substantive right for any holder of a Talc Claim ("**Claimant**"). The rights and benefits provided herein to Claimants shall vest in such Claimants as of the Effective Date.

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

SECTION II

Overview

2.1 Trust Goals. The goal of the Trust is to provide equitable treatment among Claimants with Talc Claims and Electing General Unsecured Claims. This TDP furthers that goal by setting forth procedures for processing and paying Talc Claims generally on an impartial basis, with the intention of paying Claimants whose Talc Claims are approved for payment by the Trust as equivalent a share as possible of the value of their Talc Claims. To this end, this TDP contains medical and exposure requirements ("**Medical/Exposure Criteria**") for Talc Claims and rules for the valuation of Talc Claims that meet the Medical/Exposure Criteria. The Medical/Exposure Criteria, the valuation rules, and the Scheduled Value and Maximum Value for mesothelioma Talc Claims have all been selected and derived with the intention of achieving a fair allocation of the assets of the TC Recovery Fund as among Claimants in light of the tort system history of the Debtors and the rights Claimants would have in the tort system absent the bankruptcy. Other than Second Disease Claims provided for in Section 4.6, a Claimant may not assert more than one Talc Claim hereunder.

2.2 Claims Liquidation Procedures. The Trust shall take all reasonable steps to resolve Talc Claims as efficiently and expeditiously as possible at each stage of claims processing.

2.3 Payment of Talc Claims. After the liquidated value of a Talc Claim is determined pursuant to the procedures set forth herein, the amount the Claimant shall ultimately receive shall be based on that value and will depend on, among other things, the Trust's available assets in the TC Recovery Fund, including the Trust's ability to liquidate and recover the proceeds of the Insurance Rights and other causes of action. The amount of any installment payments, initial payments, or payments based on payment percentages, as determined or as actually paid by the

Trust, are not the equivalent of any Claimant's liquidated claim value for his or her Talc Claim or the Debtor's liability to the Claimant. For the avoidance of doubt, nothing herein determines whether any Insurance Company is obligated to provide coverage for, or pay, the liquidated claim value of any Allowed Talc Claim as determined under this TDP or any other amount.

SECTION III

Payment of Talc Claims

3.1 FIFO Payment Queue. Talc Claims that have been liquidated as provided herein shall be paid from the TC Recovery Fund in FIFO order based on the date the Trust receives an executed form of release acceptable to the Trust (the "**FIFO Payment Queue**"). If the Trust receives releases on the same date, the Claimant's position in the FIFO Payment Queue shall be determined based on the date of the diagnosis of the Claimant's talc-related disease for which the Talc Claim is filed, with Claimants with earlier dates of diagnosis given priority over Claimants with later dates of diagnosis. If the Trust receives releases on the same date and the respective Claimants' diseases were diagnosed on the same date, the position of those claims in the FIFO Payment Queue shall be determined by the Trust based on the Claimants' birth dates, with older Claimants given priority over younger Claimants. Notwithstanding any other provisions contained herein, if a Claimant returns an executed release acceptable to the Trust and the Claimant's only talc/asbestos exposure is to Debtor talc products, the Trust shall move the claim to the front of the FIFO Payment Queue. The Trust shall make payments to the Claimants that the Trust has determined have Talc Claims that are payable hereunder for which the Trust has received properly executed releases.

3.2 Limitation on Payment of Claims. As the Trust's TC Recovery Fund will have limited liquid assets when the Trust commences operations, a holder of an approved Talc Claim

initially will receive an installment payment and will receive additional funds if and when the TC Recovery Fund has received sufficient liquid assets to allow the Trust to issue additional distributions to Claimants, accounting at all times for Allowed Electing General Unsecured Claims, which are to receive recoveries from the Special Electing GUC Recovery Fund proportionate to those that Talc Claims approved for payment by the Trust receive from the TC Recovery Fund. Prior to making the initial installment payments, the Liquidating Trustee, with the consent of the Trust Advisory Committee (the "**TAC**"), shall set the amount of the reserves to be held by the Trust for Talc Claims that have been filed or are expected to be filed but have not yet been resolved and for the projected expenses of the Trust (including the ALT Operating Expenses). The Liquidating Trustee, with the consent of the TAC, shall determine (a) the percentage of the liquidated values of Talc Claims to be paid in the initial installment payments and (b) when and in what amounts additional installment payments shall be made. The Trust shall make payments to holders of Allowed Electing General Unsecured Claims (if any) at the same time it makes payments to holders of Talc Claims that the Trust has determined are payable hereunder and for which the Trust has received properly executed releases. The Trust shall seek to ensure that Claimants whose Talc Claims are approved for payment by the Trust all receive the same percentage of the liquidated values of their Talc Claims, taking into account known Talc Claims that are likely to be approved in the future. In the event that the Trust (i) successfully resolves an insurance coverage dispute against a Non-Settling Insurance Company, (ii) otherwise receives a substantial recovery of insurance proceeds from a Non-Settling Insurance Company on behalf of the Trust, or (iii) receives a recovery on account of its causes of action, the Trust shall use those proceeds first to seek to maintain the current percentage of liquidated values being paid by the Trust to holders of approved Talc Claims (or those known Talc Claims that are likely to be

approved in the future) and Allowed Electing General Unsecured Claims. If the insurance recovery or causes of action recovery exceeds the amount estimated to be reasonably necessary to maintain the current percentage, the Trust shall adjust the percentage of claim value being paid upward to reflect the increase in available assets in the Trust's TC Recovery Fund and make supplemental installment payments to Claimants who previously liquidated their Talc Claims against the Trust and received installment payments based on a lower percentage, as well as holders of similarly situated Allowed Electing General Unsecured Claims (if any), who shall be paid out of the Electing GUC Recovery Fund.

Given the Trust is a liquidating Trust, the Trust shall cease operations at some point in the future and not pay any additional monies to holders of Talc Claims. The Trust Agreement contains the Trust termination provisions. In any event, the Trust will cease making offers to Claimants when the Liquidating Trustee, with the consent of the TAC, determines that after the payment of Talc Claims in the FIFO Payment Queue and Talc Claims with outstanding offers, and taking into account the Liquidating Trustee's and TAC's expectations as to likely future insurance recoveries and other recoveries and the expenses necessary to complete the winding up of the Trust's affairs, the Trust will not have sufficient assets to pay any additional Talc Claims. Talc Claims for which the Trust does not issue offers shall not be payable hereunder; *provided, however*, that the Trust shall process all Talc Claims that are submitted to the Trust with the required filing fee on or prior to the date that is one (1) year following the date the Trust makes available to Claimants a proof of claim form and instructions for filing a Talc Claim with the Trust and shall pay any such Talc Claim if the Trust approves the claim for payment and receives a properly executed release from the Claimant prior to the date that the Trust establishes as a deadline in connection with the winding down of the Trust.

SECTION IV

Resolution of Talc Claims.

4.1 Effect of Statutes of Limitation and Repose. All Talc Claims must meet either (i) for claims first filed in the tort system against a Debtor prior to the Initial Debtor Petition Date, the applicable federal or state statute of limitation and repose that was in effect at the time of the filing of the claim in the tort system, or (ii) for claims not filed against a Debtor in the tort system prior to the Initial Debtor Petition Date, the applicable federal or state statute of limitation that was in effect at the time of the filing with the Trust. However, the running of the relevant statute of limitation shall be tolled as of the earliest of: (A) the actual filing of the claim against a Debtor prior to the Initial Debtor Petition Date, whether in the tort system or by submission of the claim to a Debtor pursuant to an administrative settlement agreement; (B) the tolling of the claim against a Debtor prior to the Initial Debtor Petition Date by an agreement or otherwise, provided such tolling was still in effect on the Initial Debtor Petition Date; or (C) the Initial Debtor Petition Date. For the avoidance of doubt, in order for a tolling agreement to be considered effective hereunder, it must be a valid, enforceable written agreement between the specific Claimant and the relevant Debtor, and in order for the filing of a claim against a Debtor prior to the Initial Debtor Petition Date in the tort system to be a tolling event, the subject lawsuit must not have been dismissed as of the Initial Debtor Petition Date. The Trust's Claim Materials, as defined in Section 5.1 hereof, shall detail the evidence the Claimant must submit with respect to any tolling event.

If a Talc Claim meets any of the tolling provisions described in the preceding paragraph and the claim was not barred by the applicable federal or state statute of limitation at the time of the tolling event, it shall be treated as a timely filed Talc Claim if it is filed with the Trust within three (3) years after the date the Trust makes available to Claimants a proof of claim form and

instructions for filing a Talc Claim with the Trust (the "**Initial Claims Filing Date**"). In addition, any Talc Claims that were first diagnosed after the Initial Debtor Petition Date, irrespective of the application of any relevant federal or state statute of limitation or repose, may be filed with the Trust within three (3) years after the date of diagnosis or within three (3) years after the Initial Claims Filing Date, whichever occurs later. In all cases, if the relevant federal or state statute of limitation or repose allows for a later filing date, the Trust shall accept a claim filed within such period.

4.2 Resolution of Pre-Petition Liquidated Claims. Subject to the provisions herein regarding installment payments, as soon as practicable after the Effective Date, the Trust shall pay, upon submission by the Claimant of the appropriate documentation, all Talc Claims that were liquidated by (i) a binding settlement agreement for the particular claim entered into prior to the applicable Petition Date that is judicially enforceable by the Claimant, (ii) a jury verdict or non-final judgment in the tort system obtained prior to the applicable Petition Date, provided there is no letter of credit, appeal bond, supersedeas bond, or other security or surety (collectively, "**Security**") associated with such verdict of judgment, or (iii) a judgment that became final and non-appealable prior to the applicable Petition Date (collectively "**Pre-Petition Liquidated Claims**"). In order to receive payment from the Trust, the holder of a Pre-Petition Liquidated Claim must submit all documentation necessary to demonstrate to the Trust that the claim was liquidated in the manner described in the preceding sentence, which documentation shall include (A) a copy of the settlement agreement (if applicable), a court-authenticated copy of the jury verdict (if applicable), a non-final judgment (if applicable), or a final judgment (if applicable) and (B) the name, social security number, and date of birth of the Claimant, and the name and address of the Claimant's lawyer; *provided, however*, that if a Pre-Petition Liquidated Claim is listed on

the schedule of such claims that the Debtors provide to the Trust and the Claimant confirms the information provided by the Debtors, the Claimant shall not be required to provide any additional documentation. The Debtors shall deliver to the Trust a list of the Pre-Petition Liquidated Claims that the Debtors have approved for payment.

Holders of Pre-Petition Liquidated Claims that are secured by any Security shall first exhaust their rights against such Security before making a claim against the Trust. Only in the event that such Security is insufficient to pay such Pre-Petition Liquidated Claim in full shall the deficiency amount be processed and paid as a Pre-Petition Liquidated Claim by the Trust.[2]

The liquidated value of a Pre-Petition Liquidated Claim shall be the unpaid portion of the amount agreed to in the binding settlement agreement, the unpaid portion of the amount awarded by the jury verdict or non-final judgment (including any portion of such judgment that may have been attributable to a claim or claims for punitive or exemplary damages), or the unpaid portion of the amount of the final judgment (including any portion of such judgment that may have been attributable to a claim or claims for punitive or exemplary damages), as the case may be, plus interest, if any, that has accrued on that amount in accordance with the terms of the agreement, if any, or under applicable state law for settlements or judgments as of the date of the payment by the Trust.

Pre-Petition Liquidated Claims shall be processed and paid in accordance with their order in a separate FIFO queue, to be established by the Trust, based on the date the Trust received all required documentation for the particular claim. If any Pre-Petition Liquidated Claims were filed

[2] As the jury verdict against Avon Products, Inc. in *Chapman, et al. v. Avon Products, Inc. et al.,* Case No. 22STCV05968 is secured, such verdict may only be presented to the Trust for payment as a Pre-Petition Liquidated Claim upon the resolution of the pending appeal and any further appeals and only to the extent the Security for such verdict is insufficient to pay the verdict in full.

on the same date, the Claimant's position in the FIFO queue for such claims shall be determined based on the dates of the Claimants' births, with older Claimants given priority over younger Claimants. Pre-Petition Liquidated Claims shall be subject to the installment payment process described in Section 3.2 above. Nothing herein shall prohibit a Claimant with a Pre-Petition Liquidated Claim from electing to submit an unliquidated Talc Claim to the Trust in lieu of enforcing the Pre-Petition Liquidated Claim. However, for the avoidance of doubt, a Claimant who elects to submit an unliquidated Talc Claim in lieu of their Pre-Petition Liquidated Claim forfeits their Pre-Petition Liquidated Claim and shall only be entitled to receive the claim value determined by the Trust hereunder through the Expedited Review or Individual Review process, as applicable.

4.3 Talc Claims Review Process

4.3(a) Review Process.

4.3(a)(1) In General. Claimants seeking resolution of Talc Claims that are not Pre-Petition Liquidated Claims must file a proof of claim, utilizing the claim form approved by the Trust, together with the required supporting documentation and a filing fee, in accordance with the provisions of Sections 5.1, 5.2, and 5.3 below. If the Talc Claim is a mesothelioma claim, the Claimant may elect to have his or her claim processed under either the Expedited Review Process or the Individual Review Process, as described below. All Talc Claims that are not mesothelioma claims ("**Other Disease Claims**") must elect the Individual Review Process. The Trust shall order unliquidated claims that are sufficiently complete to be reviewed for processing purposes on a FIFO basis (the "**FIFO Processing Queue**"). The Claimant's position in the FIFO Processing Queue shall be determined based on the date the claim is filed with the Trust. If any claims are filed on the same date, the Claimant's position in the FIFO Processing Queue shall be determined

based on the date of the diagnosis of the talc-related disease, with claimants with earlier diagnosis dates given priority over those with later diagnosis dates. If any claims are filed and diagnosed on the same date, the Claimant's position in the FIFO Processing Queue shall be determined by the Claimant's date of birth, with older claimants given priority over younger claimants. Notwithstanding any other provisions contained herein, if the Claimant indicates on his or her claim form that the Claimant's only talc/asbestos exposure is to Debtor talc products, the Trust shall move the claim to the front of the FIFO Processing Queue. The Trust shall provide an initial confidential response to the Claimant within three (3) months of receiving the proof of claim form.

. **4.3(a)(2) Claims Processing.** For any mesothelioma Talc Claim that is not a Pre-Petition Liquidated Claim, the Trust shall determine whether the Talc Claim meets the Medical/Exposure Criteria set forth below, and in the case of claims undergoing Individual Review, the liquidated value of the claim. For any Talc Claim that is an Other Disease Claim, the Trust shall determine whether the Talc Claim is compensable by the Trust and, if so, the liquidated value of the claim; *provided, however*, that such liquidated value shall not exceed $6,000, as detailed in Section 4.3(c)(2) below. If the Trust approves a Talc Claim for payment, the Trust shall tender to the Claimant an offer of payment in accordance with and subject to Sections 2 and 3 above, together with a form of release substantially in the form attached hereto as Exhibit A. If the Claimant accepts the offer and returns the release properly executed, the Talc Claim shall be paid pursuant to Sections 2 and 3 above.

4.3(b) Expedited Review - Scheduled Value and Medical/Exposure Criteria for Mesothelioma Claims. Mesothelioma Claimants who elect Expedited Review shall be required to provide detailed information regarding exposure to talc products processed, milled, manufactured, sold, and/or distributed by a Debtor or by another Entity for whose conduct a Debtor

has liability (**"Debtor Talc Exposure"**), but the Claimant shall not be required to provide information with respect to his or her other talc and asbestos exposures. The Claimant must provide the following information regarding his or her Debtor Talc Exposure (the "**Required Debtor Talc Exposure Information**"): (a) the name(s) of the Debtor talc product(s) to which the Claimant was exposed; (b) the type of Debtor talc product to which the Claimant was exposed (e.g., body powder or make-up); (c) how the Claimant was exposed to the Debtor talc product (i.e., was the product applied with a shaker container, a puffer, or a brush, or was it applied/did the exposure occur in some other manner); (d) the time frame in which the Claimant was exposed to the Debtor talc product (i.e., the months and years); (e) the frequency of the Claimant's use of the Debtor talc product (i.e., daily, twice daily, etc.); (f) the duration of the Claimant's use/application of the Debtor talc product (i.e., how many seconds/minutes did each use/application typically last); and (g) information regarding where and when each Debtor talc product to which the Claimant was exposed was purchased. The information may be provided in an affidavit or sworn statement based on personal knowledge. The Trust's review and evaluation of the exposure information shall be based on the provisions of Section 4.4(b) below. The Trust may also require submission of other or additional evidence of exposure when it deems such evidence to be necessary.

If a mesothelioma Claimant elects Expedited Review and meets the Medical/Exposure Criteria set forth below, the Trust shall offer the Claimant the Scheduled Value set forth below:

Disease Level	**Scheduled Value**	**Medical/Exposure Criteria**
Mesothelioma	$10,000	Diagnosis[3] of mesothelioma; and (2) Regular Exposure to Debtor Cosmetic Talc as defined in Section 4.4(b) below

[3] The requirements for a mesothelioma diagnosis that may be compensated under the provisions of this TDP are set forth in Section 4.4 below.

4.3(c) Individual Review.

4.3(c)(1) Mesothelioma Claims. A mesothelioma Claimant may elect Individual Review of his or her Talc Claim if the Talc Claim meets the Medical/Exposure Criteria described above and the Claimant is able to provide either verified answers to interrogatories or deposition testimony under oath addressing details of his or her talc and asbestos exposure history. The interrogatory answers or the deposition testimony must provide the Required Debtor Talc Exposure Information and must also provide the following information: (a) whether the Claimant used non-Debtor talc products and the extent of such use; and (b) whether the Claimant had occupational or industrial or other exposure (whether direct or bystander) to asbestos or asbestos products other than what is alleged was present in cosmetic talc products and the extent of such exposure. If the Claimant fails to elect either the Expedited Review process or the Individual Review process, then the Trust shall process and liquidate the claim under the Expedited Review process, although the Claimant shall retain the right to request Individual Review as described in this Section 4.3(c).

The Trust shall determine the liquidated value of each mesothelioma claim that undergoes Individual Review and meets the Medical/Exposure Criteria described above in Section 4.3(b). The Trust shall base its liquidated value determination on the historic liquidated values of other similarly situated mesothelioma claims resolved by the Debtors in the applicable tort system. The Trust shall thus take into consideration all of the factors that affect the severity of damages and values within the applicable tort system, including but not limited to, credible evidence of the following: (a) factors such as the Claimant's age, disability, employment status, economic loss, disruption of household, and number of dependents; (b) whether the Claimant is alive or deceased; (c) the specific facts regarding the Claimant's Debtor Talc Exposure (e.g., how long was the Debtor

talc product used, the frequency of use of the Debtor talc product, the duration of each application of the Debtor talc product, the type of Debtor talc product, the type of applicator used to apply the Debtor talc product, and the year the Debtor talc product was purchased); (d) the type of evidence provided with respect to the Claimant's Debtor Talc Exposure; (e) the extent of the Claimant's talc and asbestos exposure that are not Debtor Talc Exposure; and (f) settlement and verdict histories in the Claimant's Jurisdiction. For purposes of this TDP, the "Claimant's Jurisdiction" is the jurisdiction in which the claim was filed (if at all) against a Debtor in the tort system prior to the applicable Petition Date. If the claim was not filed against a Debtor in the tort system prior to the applicable Petition Date, the Claimant may elect as the Claimant's Jurisdiction either (i) the jurisdiction in which the Claimant resides at the time of diagnosis or when the claim is filed with the Trust or (ii) a jurisdiction in which the Claimant experienced Debtor Talc Exposure.

The liquidated value of any mesothelioma claim that undergoes Individual Review may be determined to be less than the Scheduled Value the Claimant would have received under Expedited Review. A Claimant may not change an Individual Review election to an Expedited Review election after receiving an offer pursuant to the Individual Review process. The liquidated value of a mesothelioma Talc Claim may not exceed the Maximum Value set forth below.

Disease Level	**Maximum Value**
Mesothelioma	$3.0 million

4.3(c)(2) Other Disease Claims. The Individual Review Process provides a Claimant with an Other Disease Claim with an opportunity for individual consideration and evaluation of the claim. The Claimant must provide the Trust with (a) a disease diagnosis acceptable to the Trust and accompanied by evidence to establish a ten-year latency period between the first date of Debtor Talc Exposure and the diagnosis date, (b) medical records demonstrating

that the Claimant was treated for the diagnosed disease, (c) detailed evidence of the Claimant's Debtor Talc Exposure in the form of verified answers to interrogatories or deposition testimony providing the Required Debtor Talc Exposure Information, (d) a medical report or affidavit by a board-certified medical doctor, oncologist, or pathologist with qualified expertise to diagnose the disease that is being asserted establishing the Claimant's Debtor Talc Exposure as a contributing factor in causing the disease identified in the diagnosis, which report or affidavit shall include citation to peer-reviewed medical or scientific literature recognizing a causal association between talc exposure and the asserted disease, (e) evidence acceptable to the Trust that the medical or scientific community recognizes a causal link between Debtor Talc Exposure and the disease identified in the diagnosis, and (f) if the Claimant is living, a report detailing a physical examination of the Claimant by the physician providing the diagnosis of the talc-related disease. The Claimant must also establish to the Trust's satisfaction that the claimant had no significant occupational or industrial exposure (whether direct or bystander) to asbestos or asbestos products or to non-Debtor talc products. In addition, if the alleged disease is lung cancer, the Claimant must provide the Trust with (a) evidence of underlying bilateral asbestos-related nonmalignant disease diagnosed prior to or at the time of the lung cancer diagnosis and (b) information establishing that the Claimant was a non-smoker for at least thirty (30) years prior to his or her lung cancer diagnosis. The provisions of Section 4.4(b) hereof shall apply to the Trust's review of the exposure information. If, based upon the foregoing, the Trust is satisfied that the Claimant has presented a claim that should be paid by the Trust (i.e., Debtor Talc Exposure increased the Claimant's risk of developing the disease in question), the Trust can offer the Claimant a liquidated value amount up to Six Thousand Dollars ($6,000), the payment of which shall be subject to the provisions set forth in Sections 2 and 3 above.

4.3(d) Indirect Talc Claims. Talc Claims that are claims for contribution, reimbursement, subrogation, or indemnity ("**Indirect Talc Claims**") asserted against the Trust shall be treated as presumptively valid and paid by the Trust, subject to the provisions of Sections 2 and 3 above, including the installment payment provisions of Section 3.2, if (a) the holder of such Talc Claim (the "**Indirect Claimant**") establishes to the satisfaction of the Liquidating Trustee that (i) the Indirect Claimant has paid in full the liability and obligation of the Trust to the individual Claimant to whom the Trust would otherwise have had a liability or obligation under this TDP (the "**Direct Claimant**"), (ii) the Direct Claimant and the Indirect Claimant have forever and fully released the Trust and the Debtors from all liability to the Direct Claimant, and (iii) the claim is not otherwise barred by a statute of limitation or repose or by other applicable law or by the provisions of Section 4.1 hereof (including after accounting for the tolling provisions of that Section), and (b) the Trust has not yet paid the Direct Claimant. In no event shall any Indirect Claimant have any rights against the Trust superior to the rights of the relevant Direct Claimant against the Trust, including any rights with respect to (i) the timing, amount, or manner of payment and (ii) the tolling provisions of Section 4.1 hereof. In addition, no Indirect Talc Claim may be liquidated and paid in an amount that exceeds what the Indirect Claimant has actually paid the related Direct Claimant.

To establish a presumptively valid Indirect Talc Claim, the Indirect Claimant's aggregate liability for the Direct Claimant's claim must also have been fixed, liquidated, and paid fully by the Indirect Claimant by settlement (with an appropriate full release in favor of the Trust and the Debtors) or a Final Order, and such claim must be valid under applicable state or federal law. In any case where the Indirect Claimant has satisfied the claim of a Direct Claimant against the Trust under applicable law by way of a settlement, the Indirect Claimant shall obtain for the benefit of

the Trust and the Debtors a release substantially in the form of the release attached hereto as Exhibit A.

If an Indirect Claimant cannot meet the presumptive requirements set forth above, including the requirement that the Indirect Claimant provide the Trust and the Debtors with a full release of the Direct Claimant's Talc Claim, the Indirect Claimant may request that the Trust review the Indirect Talc Claim individually to determine whether the Indirect Claimant can establish under applicable state or federal law that the Indirect Claimant has paid all or a portion of a liability or obligation that the Trust had to the Direct Claimant. If (a) the Indirect Claimant can show that it has paid all or a portion of such a liability or obligation, (b) the Trust has not already paid the Direct Claimant, and (c) the Indirect Claimant provides a release of the Trust and the Debtors substantially in the form of the release attached hereto as Exhibit A, the Trust shall reimburse the Indirect Claimant the amount of the liability or obligation so paid, subject to the payment provisions set forth in Sections 2 and 3 above, including the installment payment provisions of Section 3.2. However, in no event shall such reimbursement to the Indirect Claimant be greater than the amount to which the Direct Claimant would have otherwise been entitled. Further, the liquidated value of any Indirect Talc Claim paid by the Trust to an Indirect Claimant shall be treated as an offset to or reduction of the full liquidated value of any Talc Claim that might be subsequently asserted by the Direct Claimant against the Trust.

The Liquidating Trustee may develop and approve a separate proof of claim form for Indirect Talc Claims. Indirect Talc Claims that have not been disallowed, discharged, or otherwise resolved by prior order of the Bankruptcy Court shall be processed in accordance with procedures to be developed and implemented by the Liquidating Trustee consistent with the provisions of this Section 4.3(d), which procedures (a) shall determine the validity, acceptability, and enforceability

of such claims and (b) shall otherwise provide the same liquidation and payment procedures and rights to the holders of such claims as the Trust would have afforded the holders of the underlying valid Talc Claims. Any dispute between the Trust and the Indirect Claimant over whether the Indirect Claimant has a right to reimbursement for any amount paid to a Direct Claimant shall be subject to the arbitration process provided in Section 4.5 below.

To the extent any insurer makes a payment that gives rise to an Indirect Talc Claim, the insurer may submit such a claim to the Trust on a claim form in a form and manner approved by the Liquidating Trustee, with the consent of the TAC, which shall include, without limitation, the basis for that claim, identification of the Talc Claim for which costs were incurred, the amount incurred, proof of payment, and any insurance policy alleged to give rise to the Indirect Talc Claim. To the extent such Indirect Talc Claim is allowed by the Liquidating Trustee, it shall be paid by the Trust in accordance with the Plan and this TDP. The Liquidating Trustee will make a determination of the validity of such Indirect Talc Claim on the basis of the terms of any relevant policy and applicable law. The Liquidating Trustee will consider: (1) whether that payment would give rise to a claim against a Debtor under applicable state law, and (2) if it would give rise to a claim, whether that claim meets the presumptive validity requirements in this Section 4.3(d), or is otherwise allowable under applicable law. To the extent that the insurer disagrees with that determination, the insurer may challenge that determination pursuant to the applicable provisions of this TDP, including the procedures set forth in Sections 4.5. The Trust, and not the Debtors, will be responsible for any payments or reimbursements to insurers or others required by the Plan**.**

4.4 Evidentiary Requirements.

4.4(a) Mesothelioma Medical Evidence.

4.4(a)(1) In General. A diagnosis of mesothelioma is required, and it must be based upon either (i) a physical examination of the Claimant by the physician providing the mesothelioma diagnosis or (ii) a diagnosis 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. If the diagnosis is based upon a physical examination by the physician providing the diagnosis, the diagnosis must be supported by a medical report of the diagnosing physician and medical records demonstrating that the Claimant was treated for mesothelioma.

All diagnoses of mesothelioma 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 Debtor Talc Exposure began and the diagnosis, or (ii) a history of the Claimant's Debtor Talc Exposure sufficient to establish a 10-year latency period.

4.4(a)(2) 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 Talc Claim is credible and consistent with recognized medical standards. Medical evidence (i) that is of a kind shown to have been received in evidence by a state or federal judge at trial, (ii) that is consistent with evidence submitted to the Debtors to settle for payment mesothelioma cases prior to the Debtors' chapter 11 cases, or (iii) that is a diagnosis by a physician shown to have previously qualified as a medical expert with respect to mesothelioma before a state or federal judge, is presumptively reliable, although the Trust may rebut the presumption. In addition, Claimants who otherwise meet the requirements of this TDP for payment of a Talc Claim shall be paid regardless of the results in any litigation at any time between the Claimant and any

other defendant in the tort system. However, any relevant evidence submitted in a proceeding in the tort system, other than findings of fact, a verdict, or a judgment, involving another defendant may be introduced by either the Claimant or the Trust in any Individual Review proceeding conducted pursuant to Section 4.3(c)(1) above.

4.4(b) Exposure Evidence. In order for a mesothelioma Claimant to receive compensation from the Trust, the Claimant must demonstrate that he or she was regularly exposed for a period of at least three (3) years to talc products processed, milled, manufactured, sold, and/or distributed by a Debtor or by any other Entity for whose conduct a Debtor has liability ("**Regular Exposure to Debtor Cosmetic Talc**"). Claims based on conspiracy theories that involve no such exposure are not compensable under this TDP. For Expedited Review, credible evidence may be established by an affidavit or sworn statement based on personal knowledge, provided the Trust finds such evidence reasonably reliable, or by other credible evidence. For Individual Review, the Claimant must provide either verified answers to interrogatories or deposition testimony under oath addressing details of his or her talc and asbestos exposure history. In both the case of Expedited Review and Individual Review, the Trust may ask for the submission of other or additional evidence of exposure when it deems such to be necessary. The Trust shall utilize a product list to determine to the best of its ability based on such information as might be reasonably available to the Debtors if the Debtor product to which the Claimant alleges exposure contained talc and shall determine, based on all of the details provided by the Claimant with respect to Debtor Talc Exposure, if the extent of the Claimant's exposure to the product was sufficient to be classified as "regular exposure."

For Other Disease Claims, the Claimant must provide either verified answers to interrogatories or deposition testimony under oath addressing details of his or her talc and asbestos

exposure history. The Trust may ask for the submission of other or additional evidence of exposure when it deems such to be necessary and shall utilize the product list referenced above to determine if the Debtor product to which the Claimant alleged exposure contained talc. Based on the information provided for these claims, as detailed in Section 4.3(c)(2) above, the Trust shall determine if the Claimant's Debtor Talc Exposure increased the Claimant's risk of developing the subject disease.

4.5 Right to Arbitration. The Liquidating Trustee, with the consent of the TAC, shall develop and adopt ADR Procedures that provide that after a Claimant has completed the Talc Claim review process set forth in Section 4.3 of this TDP, that Claimant may elect binding arbitration of a dispute regarding the Claimant's right to recover from the Trust or the liquidated value of the Claimant's Talc Claim; *provided, however*, that in any arbitration, the arbitrator shall consider the same medical and exposure evidentiary requirements set forth in Sections 4.3 and 4.4 of this TDP. In the case of an arbitration involving the liquidated value of a claim, the arbitrator shall consider the same valuation factors that are set forth in Section 4.3 above.

In order to facilitate the Individual Review Process with respect to Talc Claims that have elected Individual Review, the Trust may develop a valuation model that enables the Trust to efficiently make initial liquidated value offers on those claims in the Individual Review setting. In an arbitration involving any such claim, the Trust shall neither offer into evidence or describe any such model nor assert that any information generated by the model has any evidentiary relevance or should be used by the arbitrator in determining the presumed correct liquidated value in the arbitration. The underlying data that was used to create the model may be relevant and may be made available to the arbitrator but only if provided to the Claimant or his or her counsel at least ten (10) days prior to the arbitration proceeding

Any disputes regarding whether a claim is a Pre-Petition Liquidated Claim or the amount owed on such claim shall be subject to the same arbitration process, in which case the arbitrator shall consider the provisions of Section 4.2 of this TDP in determining whether the claim is a Pre-Petition Liquidated Claim and the amount owed to the Claimant.

A claim determined by the arbitrator to qualify for payment will be paid pursuant to Sections 2 and 3 of this TDP.

4.6 Second Disease Claims. Notwithstanding any other provisions hereof, the holder of an Other Disease Claim may assert a new Talc Claim against the Trust for a mesothelioma Talc Claim that is subsequently diagnosed. Any additional payment to which such Claimant may be entitled with respect to such mesothelioma Talc Claim shall be reduced by the amount paid by the Trust for the Other Disease Claim.

4.7 Claims Audit Program. The Trust, with the consent of the TAC, shall develop a Claims Audit Program. Such Claims Audit Program may include methods for auditing the reliability of medical evidence as well as the reliability of evidence of Debtor Talc Exposure and evidence relating to other talc and asbestos exposures. In the event that the Trust determines that any individual or entity has engaged in a pattern or practice of providing unreliable evidence to the Trust, the Trust may decline to accept additional evidence from such individual or entity in the future.

The Trust shall utilize the services of a third-party claims processing facility (the "**Claims Processor**") to assist in the evaluation of Talc Claims submitted to the Trust and shall participate in a cross-trust audit program (the "**Cross-Trust Audit Program**"). The Cross-Trust Audit Program shall include a comparison of claims filed with the Trust against claims filed with all other asbestos and talc trusts administered by the Claims Processor that participate in the Cross-

Trust Audit Program. The filing of any claim with the Trust, regardless of the treatment sought, shall constitute consent for each other asbestos and talc trust participating in the Cross-Trust Audit Program to release to the entity overseeing the Cross-Trust Audit Program (the "**Auditor**") all information submitted to such other asbestos or talc trust by or on behalf of the Claimant pursuant to the provisions of the Cross-Trust Audit Program and to disclose the status of any such claim and the amount and the date of any payment on the claim to the Auditor.

To the extent that the Trustee believes that it is relevant, nothing herein shall preclude the Trust or the Auditor, in the Trustee's sole discretion, from reviewing or taking into consideration complaints filed in state or federal court or claims filed against other asbestos or talc trusts. Any Claimant selected for a Trust audit shall cooperate and, if requested by the Trustee, provide the Trust or the Auditor with authorization to obtain from other asbestos and talc trusts any information such Claimant has submitted to such other asbestos and talc trusts.

In the event that an audit reveals that fraudulent information has been provided to the Trust, the Trust may penalize any Claimant or Claimant's attorney by rejecting the Talc Claim or by other means including, but not limited to, requiring the source of the fraudulent information to pay the costs associated with the audit and any future audit or audits, reordering the priority of payment of all affected Claimants' Talc Claims, raising the level of scrutiny for additional information submitted from the same source or sources, refusing to accept additional evidence from the same source or sources, seeking the prosecution of the Claimant or Claimant's attorney for presenting a fraudulent claim in violation of 18 U.S.C. § 152, and/or seeking sanctions from the Bankruptcy Court.

SECTION V

Claims Materials

5.1 Claims Materials. The Trust shall prepare suitable and efficient claims materials ("**Claims Materials**") for all Talc Claims, and shall provide such Claims Materials upon a written request for such materials to the Trust. The Claims Materials shall include a proof of claim form and shall require TAC consent. The proof of claim form shall include a certification by the Claimant or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure, as if the completed proof of claim form were a filing subject to that rule.

5.2 Content of Claims Materials. The Claims Materials shall include a copy of this TDP, such instructions as the Liquidating Trustee and the TAC shall approve, and a detailed proof of claim form.

5.3 Filing Fee. Each Claimant must submit a filing fee of Five Hundred Dollars ($500.00) to have an unliquidated Talc Claim filed with and processed by the Trust. The fee shall be refunded if the Claimant receives and accepts a settlement offer from the Trust. A Talc Claim that is submitted to the Trust without a filing fee shall not be considered filed for purposes of tolling the applicable statute of limitations and shall not be placed in the FIFO Processing Queue.

5.4 Withdrawal or Deferral of Claims. A Claimant may withdraw a Talc Claim at any time upon written notice to the Trust and file another claim subsequently without affecting the status of the claim for statute of limitations purposes, but any such claim filed after withdrawal shall be given a place in the FIFO Processing Queue based on the date of such subsequent filing and the Claimant shall be required to submit a new filing fee for the claim. A Claimant may also request that the processing of his or her Talc Claim by the Trust be deferred for a period not to exceed one (1) year without affecting the status of the claim for statute of limitations and repose

purposes, in which case the Claimant shall also retain his or her original place in the FIFO Processing Queue. Except for Talc Claims held by representatives of deceased or incompetent individuals for which court or probate approval of the Trust's offer is required, a Talc Claim shall be deemed to have been withdrawn if the Claimant neither accepts, rejects, nor initiates arbitration within one (1) year of the Trust's written offer of payment or rejection of the Talc Claim.

5.5 Confidentiality of Claimants' Submissions. All submissions to the Trust by a Claimant, including the proof of claim form and materials related thereto, shall be treated as made in the course of settlement discussions between the Claimant 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, with the permission of the Claimant, to a trust established for the benefit of talc and/or asbestos personal injury claimants pursuant to the Bankruptcy Code or other applicable law, to such other persons as authorized by the Claimant, or in response to a valid subpoena of such materials issued by the Bankruptcy Court, a Delaware State Court, or the United States District Court for the District of Delaware. Furthermore, the Trust shall provide counsel for the Claimant of the applicable Talc Claim a copy of any such subpoena upon being served. The Trust shall, on its own initiative, or upon request of the Claimant in question, take all necessary and appropriate steps to preserve said privileges before the Bankruptcy Court, a Delaware State Court, or the United States District Court for the District of Delaware and before those courts having appellate jurisdiction related thereto. Nothing in this TDP, the Plan, or the Trust Agreement expands, limits or impairs the obligation under applicable law of a Claimant to respond fully to lawful discovery in an underlying civil

action regarding his or her submission of factual information to the Trust for the purpose of obtaining compensation for talc-related injuries from the Trust.

Notwithstanding anything in the foregoing to the contrary, with the consent of the TAC, the Trust may disclose information, documents, or other materials reasonably necessary in the Trust's judgment to preserve, litigate, resolve, or settle insurance coverage or to comply with an applicable obligation under an insurance policy, indemnity, or settlement agreement; *provided, however*, that the Trust shall take any and all steps reasonably feasible in its judgment to preserve the further confidentiality of such information, documents, and materials, and prior to the disclosure of such information, documents, or materials to a third party, the Trust shall receive from such third party a written agreement of confidentiality that (a) ensures that the information, documents, and materials provided by the Trust shall be used solely by the receiving party for the purpose stated in the confidentiality agreement and (b) prohibits any other use or further dissemination of the information, documents, and materials by the third party.

SECTION VI

General Guidelines for Liquidating and Paying Claims

6.1 Showing Required. To establish a compensable Talc Claim, a Claimant must meet the requirements set forth in this TDP.

6.2 Costs Considered. Notwithstanding any provisions of this TDP to the contrary, the Liquidating Trustee shall always give appropriate consideration to the cost of investigating and uncovering invalid Talc Claims so that the payment of compensable Talc Claims is not further impaired by such processes with respect to issues related to the validity of the evidence supporting a Talc Claim. The Liquidating Trustee shall also have the latitude to make judgments regarding the amount of transaction costs to be expended by the Trust so that compensable Talc Claims are

not unduly further impaired by the costs of additional investigation. Nothing herein shall prevent the Liquidating Trustee, in appropriate circumstances, from contesting the validity of any Talc Claim filed with the Trust whatever the costs, or declining to accept evidence from sources that the Liquidating Trustee has determined to be unreliable.

6.3 Releases. As a condition to receiving any payment from the Trust, a Claimant shall be required to execute a release substantially in the form attached hereto as Exhibit A. The Liquidating Trustee may modify the provisions of the release with the consent of the TAC; *provided, however*, that no such change shall be inconsistent with the terms of the Plan or the Confirmation Order and/or modify in any way the releases and injunctions contained in the Plan or the Confirmation Order.

6.4 Lien Resolution. Each Claimant and the law firm that represents the Claimant (if any) shall be responsible for resolving all lien obligations owed to a Claimant's private or governmental health insurer with respect to any payment received from the Trust.

6.5 Third-Party Services. Nothing in this TDP shall preclude the Trust from contracting with a claims resolution organization to provide services to the Trust so long as decisions about the approval and liquidated value of Talc Claims are based on the relevant provisions of this TDP.

6.6 Punitive Damages. Except as provided in Section 4.2 above, in no circumstances shall the Trust or an arbitrator assign any Talc Claim value for any punitive or exemplary damages (i.e., damages other than compensatory damages) notwithstanding their availability in the tort system.

6.7 Foreign Claims. Notwithstanding anything to the contrary herein, the Trust shall only pay Talc Claims if there is an allegation of Debtor Talc Exposure in the United States or the United Kingdom.

SECTION VII

Miscellaneous

7.1 Amendments. Except as otherwise provided herein, the Liquidating Trustee may amend, modify, delete, or add to any provisions of this TDP (including, without limitation, amendments to conform this TDP to advances in scientific or medical knowledge or other changes in circumstances), provided the Trust first obtains the written consent of the TAC; *provided, however*, that no such change shall be inconsistent with the terms of the Plan or the Confirmation Order and/or modify in any way the releases and injunctions contained in the Plan or the Confirmation Order. Notwithstanding the foregoing, absent Bankruptcy Court or District Court approval after appropriate notice and opportunity to object, the Liquidating Trustee may not amend this TDP (i) to increase the Scheduled Value or Maximum Value for mesothelioma claims set forth herein or the maximum value for Other Disease Claims set forth in Section 4.3(c)(2) above or (ii) to materially change the Medical/Exposure Criteria set forth herein.

7.2 Severability. Should any provision contained in this TDP 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 this TDP.

7.3 Governing Law. This TDP shall be governed by, and construed in accordance with, the substantive laws of the State of Delaware, without regard to any choice of law rules.

7.4 Defenses of the Trust. The Trust shall have all defenses (including, with respect to, product identification), cross-claims, offsets, and recoupments, as well as rights of

indemnification, contribution, subrogation, and similar rights that the Debtor has or would have had under applicable law with respect to any action taken pursuant to this TDP. The Trust shall have all statute of limitation defenses that would have been available to the Debtors in the tort system.