

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re:

ROCK WOOL  
MANUFACTURING COMPANY,  
an Alabama Corporation,

Debtor.

}  
}  
}  
} Case No. 96-08295-TBB-11  
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}

DEBTOR'S SECOND AMENDED AND RESTATED  
PLAN OF REORGANIZATION UNDER  
CHAPTER 11 OF THE UNITED STATES  
BANKRUPTCY CODE

DATED: November 24, 1999

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**SECOND AMENDED AND RESTATED PLAN OF REORGANIZATION  
UNDER CHAPTER 11 OF THE UNITED STATES  
BANKRUPTCY CODE**

Rock Wool Manufacturing Company ("Rock Wool"), an Alabama Corporation, debtor and debtor-in-possession ("the Debtor") in the above-captioned chapter 11 case, proposes the following second amended and restated plan of reorganization ("Plan") for the Debtor pursuant to 11 U.S.C. § 1121(a).

**ARTICLE I**

**DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the following meanings when used in initially capitalized form in this Plan (as hereinafter defined). Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined in this Plan but that is defined in the Bankruptcy Code or Bankruptcy Rules (as such terms are hereinafter defined) shall have the meaning ascribed to such term in the Bankruptcy Code or Bankruptcy Rules. The rules of construction set forth in Section 102 of the Bankruptcy Code shall apply in Construction of this Plan.

**1.1.1 "Administrative Claim"** means any Claim for the payment of any Administrative Expense.

**1.1.2 "Administrative Expense"** means (a) any cost or expense of administration of the Reorganization Case under Section 503(b) of the Bankruptcy Code including, but not limited to, any such cost or expense constituting (1) an actual and necessary postpetition cost and expense of preserving the Estate or operating the business of the Debtor, (2) a postpetition cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtor in the ordinary course of business, (3) payment that is to be made under this Plan to cure defaults on executory contracts and unexpired leases and (4) compensation or reimbursement of an expense to the extent allowed by the Bankruptcy Court under Sections 330(a), 331, and 503(3)(f) of the Bankruptcy Code and (b) any fee or charge assessed against the Estate of the Debtor under Section 1930, Chapter 123 of title 28 of the United States Code.

**1.1.3 "Administrative Expense Creditor"** means any Creditor entitled to payment of an Administrative Expense.

**1.1.4 "Aggregate Claims Amount"** means, with respect to any Class or Classes of Claims, the total amount of Claims (including Estimated Amounts of any unliquidated, Contingent or Disputed Claims, but excluding disallowed Claims) in such Class or Classes.

**1.1.5 "Allowed"** means and includes, with respect to any Claim or Interest other than an Asbestos Claim, (a) any Claim (other than a Disputed Claim) or Interest, proof of which was timely filed or, by Order of the Bankruptcy Court, was not required to be filed or (b) any Claim (other than a Disputed Claim) or Interest that is listed in the Schedules as liquidated in amount and not disputed or Contingent, and, in each such case in (a) and (b) herein, as to which either (1) no objection to the allowance thereof has been or may be filed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court or (2) the Claim or Interest has been allowed by a Final Order (but only to the extent so allowed). ALL ASBESTOS CLAIMS SHALL BE CONSIDERED "ALLOWED" CLAIMS, FOR THE SOLE PURPOSE OF VOTING TO ACCEPT OR REJECT THE PLAN, BUT SHALL ONLY BE PAID ACCORDING TO THE ASBESTOS CLAIMS RESOLUTION PROCEDURES.

**1.1.6 "Allowed Administrative Claim"** shall mean an Administrative Claim that is allowed pursuant to the procedures set forth in Article II of the Plan.

**1.1.7 "Allowed Amount"** means the dollar amount in which a Claim is Allowed; provided however, that the Allowed Amount of a Claim shall not exceed the Estimated Amount of such Claim as determined pursuant to an Estimation Order. No amount shall be Allowed for or on account of punitive damages, penalties or postpetition interest on account of any Claim except as otherwise expressly specified in this Plan or provided by Final Order of the Bankruptcy Court.

**1.1.8 "Asbestos Bodily Injury Claim"** means (a) any claim or demand (including, but not limited to, any Claim or Demand) whenever and wherever arising or asserted (including, but not limited to, any claim or demand of an Unknown Asbestos Bodily Injury Claimant) against the Debtor, its successors or subsidiaries, or its present, former or future officers, directors, stockholders or employees and (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured), whenever and wherever arising or asserted, of the Debtor, its successors or subsidiaries, or its present, former or future officers, directors, stockholders or employees (including, but not limited to, all thereof in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty); in either case (a) or (b) for, relating to, or arising by reason of, directly or indirectly, physical, emotional, bodily or other personal injury or damages (whether or not diagnosable before the Confirmation of this Plan or the close of the Reorganization Case) caused or allegedly caused, in whole or in part, directly or indirectly, by exposure to asbestos or asbestos-containing products, that were manufactured, sold, supplied, produced, distributed or in any way marketed by the Debtor, whether or not arising or allegedly arising, directly or indirectly, from acts or omissions of the Debtor, its predecessors or subsidiaries, or its present, former, or future officers, directors, stockholders or employees, or another Person or Governmental Unit for or with which the Debtor or its successor is or may be liable, including, but not

limited to, any claim, demand, debt, obligation or liability for compensatory or other damages (including, but not limited to, loss of consortium, proximate, consequential, general and special damages), punitive damages, reimbursement, indemnity, warranty, contribution or subrogation. The foregoing claims, demands, debts, obligations and liabilities include, but are not limited to, claims that may or may not presently constitute "claims" within the meaning of Section 101(5) of the Bankruptcy Code and demands that may or may not constitute "demands" within the meaning of Section 524(g)(5) of the Bankruptcy Code.

**1.1.9 "Asbestos Bodily Injury Claims Resolution Procedures"** is that certain Rock Wool Manufacturing Company Asbestos Bodily Injury Claims Resolution Procedures, substantially in the form of Exhibit B to the Plan.

**1.1.10 "Asbestos Bodily Injury Expenses"** means all costs, taxes and expenses of or imposed on the Trust attributable or allocable to Asbestos Bodily Injury Claims (including, but not limited to, employee compensation, insurance premiums, legal, accounting and other professional fees and expenses, overhead, disbursements and expenses relating to the operation of the Asbestos Trust, but excluding payments to the Asbestos Bodily Injury Claimants or to any charitable organization).

**1.1.11 "Asbestos Claim"** means any Asbestos Bodily Injury Claim or Asbestos Property Damage Claim.

**1.1.12 "Asbestos Claimants' Committee"** means the Official Committee of Asbestos Claimants, consisting of Entities appointed as members in the Chapter 11 Case in accordance with section 1102(a) of the Bankruptcy Code and their duly appointed successors, if any, as the same may be reconstituted from time to time.

**1.1.13 "Asbestos Claims Resolution Procedures"** means the Asbestos Bodily Injury Claims Resolution Procedures and the Asbestos Property Damage Claims Resolution Procedures (or either of them), substantially in the form of Exhibits B and C to the Plan.

**1.1.14 "Asbestos Property Damage Claim"** means (a) any claim or demand (including, but not limited to, any Claim or Demand) whenever and wherever arising or asserted (including, but not limited to, any claim or demand of an Unknown Asbestos Property Damage Claimant) against the Debtor, its successors or subsidiaries, or its present, former or future officers, directors, stockholders or employees and (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured), whenever and wherever arising or asserted, of the Debtor, its successors or subsidiaries, or its present, former or future officers, directors, stockholders or employees (including, but not limited to, all thereof in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty); in either case (a) or (b) for, relating to, or arising by reason of, directly or indirectly, damages of any kind (whether or

not confirmable before the Confirmation of this Plan or the close of the Reorganization Case) caused or allegedly caused, in whole or in part, directly or indirectly, from the presence in buildings or other structures of asbestos or asbestos-containing products, that were manufactured, sold, supplied, produced, distributed or in any way marketed by the Debtor, whether or not arising or allegedly arising, directly or indirectly, from acts or omissions of the Debtor, its predecessors or subsidiaries, or its present, former or future officers, directors, stockholders or employees, or another Person or Governmental Unit for or with which the Debtor or its successor is or may be liable, including, but not limited to, any claim, demand, debt, obligation or liability for compensatory or other damages (including, but not limited to, proximate, consequential, general and special damages), punitive damages, reimbursement, indemnity, warranty, contribution or subrogation. The foregoing claims, demands, debts, obligations and liabilities include, but are not limited to, claims that may or may not presently constitute "claims" within the meaning of Section 101(5) of the Bankruptcy Code and demands that may or may not constitute "demands" within the meaning of Section 524(g)(5) of the Bankruptcy Code.

**1.1.15 "Asbestos Property Damage Expenses"** means all costs, taxes and expenses of or imposed on the Trust attributable or allocable to Asbestos Property Damage Claims (including, but not limited to, employee compensation, insurance premiums, legal, accounting and other professional fees and expenses, overhead, disbursements and expenses relating to the operation of the Asbestos Trust).

**1.1.16 "Asbestos Property Damage Claims Resolution Procedures"** is that certain Rock Wool Manufacturing Company Asbestos Property Damage Claims Resolution Procedures, substantially in the form of Exhibit C to the Plan.

**1.1.17 "Asbestos Trust"** is the trust established in accordance with the Asbestos Trust Agreement.

**1.1.18 "Asbestos Trust Agreement"** is that certain Rock Wool Manufacturing Company Asbestos Trust Agreement, substantially in the form of Exhibit A to the Plan.

**1.1.19 "Ballot"** shall mean the form or forms distributed to holders of impaired Claims on which is to be indicated the acceptance or rejection of the Plan.

**1.1.20 "Ballot Date"** shall mean the date set by the Bankruptcy Court when all Ballots to accept or reject the Plan must be filed with the clerk of the Bankruptcy Court, or such other person or entity which the Bankruptcy Court may designate.

**1.1.21 "Bankruptcy Code"** shall mean title 11 of the United States Code, as now in effect or as amended.

**1.1.22 "Bankruptcy Court"** shall mean the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, or such other court having jurisdiction over the Chapter 11 Case.

**1.1.23 "Bankruptcy Rules"** shall mean the Federal Rules of Bankruptcy Procedure which govern the forms of process, writs, pleadings, and motions, and the practice and procedure in cases under the Bankruptcy Code, as prescribed by the United States Supreme Court pursuant to 28 U.S.C. § 2075, and the Local Rules of the Bankruptcy Court.

**1.1.24 "Business Day"** shall mean any day other than a Saturday, Sunday or a legal holiday as defined in Bankruptcy Rule 9006(a).

**1.1.25 "Cash"** shall mean legal tender of the United States of America or cash equivalents.

**1.1.26 "Causes of Action"** means all causes of action of any kind held at any time by the Debtor against any party or parties, including, without limitation, all causes of action held by the Debtor as of the Filing Date, all causes of action held by the Debtor arising after the Filing Date, and including any rights arising under section 542, 544, 545, 547, 548, 549 or 550 of the Bankruptcy Code.

**1.1.27 "Chapter 11 Case"** shall mean the Debtor's case under Chapter 11 of the Bankruptcy Code pending before the Bankruptcy Court and styled Rock Wool Manufacturing Company, Case No. 96-08295-TBB-11.

**1.1.28 "Claim"** means as defined in section 101(5) of the Bankruptcy Code, against any of the Debtor or Debtor in Possession, whether or not asserted, whether or not the facts of or legal bases therefor are known or unknown, and specifically including, without express or implied limitation, any rights under sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, any claim of a derivative nature, any potential or unmatured contract claims, and any other Contingent Claim.

**1.1.29 "Confirmation Conditions":** The following shall constitute conditions to confirmation of the Plan:

1.1.29.1 The Bankruptcy Court makes the following findings, each of which shall be contained in the Confirmation Order:

1.1.29.1.1 The Permanent Channeling Injunction is to be implemented in connection with the Asbestos Trust.

1.1.29.1.2 At the time of the order for relief with respect to Rock Wool, Rock Wool has been named as a defendant in bodily injury, wrongful death, and property damage actions seeking recovery for damages allegedly caused by the exposure to asbestos or asbestos-containing

products, or the presence of asbestos or asbestos containing products in buildings.

1.1.29.1.3 The Asbestos Trust, as of the Effective Date, will assume the liabilities of the Debtor with respect to Asbestos Bodily Injury Claims and Asbestos Property Damage Claims.

1.1.29.1.4 The Asbestos Trust, is to be funded in whole by all existing common stock of the Debtor; and with respect to Asbestos Bodily Injury Claims, by the remaining insurance proceeds of the Debtor, that relate to the payment of Asbestos Bodily Injury Claims, which is limited to \$126,818.06, and by the obligation of Rock Wool to pay all of its income into the Trust, less a sufficient amount of operating capital sufficient to maintain successful business operations. The Asbestos Trust, with respect to Asbestos Property Damage Claims, is to be funded in whole by the obligation of St. Paul to pay Asbestos Property Damage Claims, pursuant to the Asbestos Property Damage Claims Resolution Procedures, until St. Paul has paid the lesser of \$1,680,665.00 or all remaining insurance proceeds payable due to Asbestos Property Damage Claims, pursuant to the Asbestos Property Damage Claims Resolution Procedures.

1.1.29.1.5 The Asbestos Trust is to own all existing common stock of Rock Wool.

1.1.29.1.6 The Asbestos Trust is to use its assets or income to pay claims and demands.

1.1.29.1.7 The Debtor is likely to be subject to substantial future Demands for payment arising out of the same or similar conduct or events that gave rise to the Claims that are addressed by the Permanent Channeling Injunction.

1.1.29.1.8 The actual amounts, numbers and timing of the future Demands referred to in section 1.1.29.1.7 cannot be exactly determined; however actuarial estimates suggest the Debtor can expect to have 325,270 additional claims.

1.1.29.1.9 Pursuit of the Demands referenced in section 1.1.29.1.7 outside the procedures prescribed by the

Plan is likely to threaten the Plan's purpose to deal equitably with Claims and future Demands.

1.1.29.1.10 The terms of the Permanent Channeling Injunction, including any provisions barring actions against third parties pursuant to 524(g) are set out in the Plan and in any Disclosure Statement supporting the Plan.

1.1.29.1.11 The Plan establishes, in Class 6 (Asbestos Bodily Injury Claims) and Class 7 (Asbestos Property Damage Claims), separate classes of the claimants whose Claims are to be addressed by the Asbestos Trust.

1.1.29.1.12 The Operating Agreement for Minrock, LLC, a Delaware Limited Liability Company, and the Exclusive License between Mineral Products and Technology, Inc. and Minrock, L.L.C., a Delaware Limited Liability Company, shall be effective immediately and automatically (without further action) upon the approval of the Chapter 11 Plan of Reorganization of Rock Wool Manufacturing Company.

1.1.29.1.13 Pursuant to court orders or otherwise, the Asbestos Trust will operate through mechanisms such as structured, periodic, or supplemental payments, of present Claims and Future demands, that provide reasonable assurance that the Asbestos Trust will value, and be in a financial position to pay, present Claims and future Demands that involve similar Claims in substantially the same manner.

1.1.29.1.14 The Legal Representative was appointed as part of the proceedings leading to issuance of the Permanent Channeling Injunction for the purpose of protecting the rights of persons that might subsequently assert Demands that are addressed in the Permanent Channeling Injunction and transferred to the Asbestos Trust.

1.1.29.1.15 Identifying each Protected Party in the Permanent Channeling Injunction is fair and equitable with respect to persons that might subsequently assert Demands against each such Protected Party, in light of the benefits provided, or to be provided, to the Asbestos Trust by or on



behalf of any such Protected Party.

1.1.29.2 The Confirmation Order shall be, in form and substance, acceptable to the Plan Proponents.

**1.1.30 "Confirmation Date"** shall mean the date on which the clerk of the Bankruptcy Court, or of the District Court, enters the Confirmation Order.

**1.1.31 "Confirmation Hearing"** shall mean the hearing held by the Bankruptcy Court, or by the District Court, or by both Courts sitting together or separately, as it may be continued from time to time, at which the Proponent shall seek confirmation of the Plan.

**1.1.32 "Confirmation Order"** shall mean the order of the Bankruptcy Court, and/or the District Court, confirming the Plan in accordance with Chapter 11 of the Bankruptcy Code. If the Bankruptcy Court and the District Court sign separate orders confirming the Plan, the Confirmation Order shall be the order which is signed by the District Court.

**1.1.33 "Contested"** when used with respect to a Claim, shall mean a Claim (i) that is listed in the Schedules as disputed, contingent or unliquidated; (ii) that is listed in the Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim exceeds the scheduled amount; (iii) that is not listed in the Schedules, but as to which a proof of claim has been filed before the Objection Deadline; provided, that a Claim that is Allowed by Final Order, or pursuant to the Plan, on or before the Objection Deadline, shall not be a Contested claim to the extent such Claim is Allowed. ALL ASBESTOS CLAIMS SHALL BE CONSIDERED "ALLOWED" CLAIMS, FOR THE SOLE PURPOSE OF VOTING TO ACCEPT OR REJECT THE PLAN, BUT SHALL ONLY BE PAID ACCORDING TO THE ASBESTOS CLAIMS RESOLUTION PROCEDURES, AND AS SUCH, ARE SPECIFICALLY EXCLUDED FROM THIS DEFINITION.

**1.1.34 "Contingent Claim"** shall mean any Claim, the liability for which attaches or is dependent upon the occurrence or happening of, or is triggered by, an event, which event has not yet occurred, happened, or been triggered, as of the date on which such Claim is sought to be estimated or an objection to such Claim is filed, whether or not such event is within the actual or presumed contemplation of the holder of such Claim and whether or not a relationship between the holder of such Claim and the Debtor now or hereafter exists or previously existed. ALL ASBESTOS CLAIMS SHALL BE CONSIDERED "ALLOWED" CLAIMS, FOR THE SOLE PURPOSE OF VOTING TO ACCEPT OR REJECT THE PLAN, BUT SHALL ONLY BE PAID ACCORDING TO THE ASBESTOS CLAIMS RESOLUTION PROCEDURES, AND AS SUCH, ARE SPECIFICALLY EXCLUDED FROM THIS DEFINITION.

**1.1.35 "Creditor"** shall mean any entity that holds a Claim against the Debtor.

**1.1.36 "Debtor"** means Rock Wool Manufacturing Company.

**1.1.37 "Debtor in Possession"** shall mean the Debtor, in its respective capacity as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

**1.1.38 "Demand"** means a demand for payment, present or future, that (a) was not a claim during the proceedings leading to the confirmation of this Plan, (b) arises out of the same or similar conduct or events that gave rise to Asbestos Claims and (c) pursuant to this Plan, is to be paid by the Asbestos Trust.

**1.1.39 "Disallowed"** when used with respect to a Claim, shall mean a Claim to the extent 10 days has expired since it has been disallowed by order of the Bankruptcy Court, unless proper application for a stay of such order has been made within such 10 day period, in which case the Claim shall be disallowed 30 days after entry of the order disallowing such Claim, unless prior to the expiration of such period, a stay is obtained with respect to the order disallowing the Claim.

**1.1.40 "Disclosure Statement"** shall mean the Disclosure Statement, as approved by Order of the Bankruptcy Court.

**1.1.41 "Disputed Claim"** means a Claim that has not been allowed by a Final Order as to which (a) a Proof of Claim has been filed with the Court, or is deemed filed under applicable law or Order of the Bankruptcy Court and (b) an objection to the allowance thereof has been or may be filed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court and any such objection has not been (1) withdrawn, (2) overruled or denied in whole or part by a Final Order or (3) granted in whole or part by a Final Order. For purposes of this Plan, a Claim that has not been allowed by a Final Order shall also be considered a Disputed Claim, whether or not an objection has been or may be filed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, if (A) the amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim scheduled in the Schedules, (B) any corresponding Claim has been scheduled in the Schedules as disputed, Contingent or unliquidated, (C) no corresponding Claim has been scheduled in the Schedules or (D) such Claim is reflected as unliquidated or Contingent in the Proof of Claim filed in respect thereof. ALL ASBESTOS CLAIMS SHALL BE CONSIDERED "ALLOWED" CLAIMS, FOR THE SOLE PURPOSE OF VOTING TO ACCEPT OR REJECT THE PLAN, BUT SHALL ONLY BE PAID ACCORDING TO THE ASBESTOS CLAIMS RESOLUTION PROCEDURES, AND AS SUCH, ARE SPECIFICALLY EXCLUDED FROM THIS DEFINITION.

**1.1.42 "Distribution"** shall mean the payment or distribution under the Plan of property or interests in property to the holder of Allowed Claims (other than Asbestos Bodily Injury Claims or Asbestos Property Damage Claims) and to the Asbestos Trust.

**1.1.43 "Distribution Date"** when used with respect to any Claim against the Debtor, shall mean the dates on which the Debtor shall make distributions to the holders of Claims pursuant to the terms of this Plan. A distribution shall not occur until (i) the occurrence of the Effective Date; and (ii) the occurrence of the date on which the Claim has become an Allowed Claim.

**1.1.44 "District Court"** means the United States District Court for the Northern District of Alabama, or the unit thereof having jurisdiction over the matter in question.

**1.1.45 "Effective Date"** shall mean the first (1st) Business Day following the date upon which the Confirmation Order becomes a Final Order, subject to the provisions of Article X, Section 10.7.

**1.1.46 "Entity"** shall mean a person, estate, trust, governmental unit, and a United States Trustee.

**1.1.47 "Equity Interest"** means any interest in the Debtor represented by shares of existing Rock Wool stock.

**1.1.48 "Estate"** shall mean the estate created with respect to the Debtor pursuant to section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

**1.1.49 "Estate Assets"** shall mean all of the assets that are included in the Estate of the Debtor, including Causes of Action.

**1.1.50 "Estimated Amount"** means the estimated dollar value of an Unliquidated Claim, Disputed Claim, or Contingent Claim pursuant to section 502(c) of the Bankruptcy Code.

**1.1.51 "Executive Management Agreement"** means the Executive Management Agreement in substantially the form attached as Exhibit D to the Plan.

**1.1.52 "Fee Application"** shall mean an application of a Professional Person under section 330 or 503 of the Bankruptcy Code for allowance of compensation and reimbursement of expenses in the Chapter 11 Case.

**1.1.53 "Fee Claim"** shall mean a Claim under section 330 or 503 of the Bankruptcy Code for allowance of compensation and reimbursement of expenses in the Chapter 11 Case.

**1.1.54 "Filing Date"** shall mean the date on which the voluntary petition was filed by the Debtor commencing the Chapter 11 Case; to wit; November 18, 1996.

**1.1.55 "Final Order"** shall mean (i) an order of the Bankruptcy Court as to which the time to appeal, petition for *certiorari*, or move for reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, reargument, or rehearing shall have been waived in writing, in form and substance satisfactory to Proponent or, (ii) in the event that an appeal, writ of *certiorari*, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or *certiorari* has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for *certiorari* or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, as made applicable by Rule 9024 of the Bankruptcy Rules, may be filed with respect to such order.

**1.1.56 "Governmental Unit"** means any federal, state, local, municipal, foreign or provincial (a) government, (b) government agency, (c) governmental commission, (d) governmental department, (e) governmental bureau, (f) governmental ministry or (g) governmental entity.

**1.1.57 "Interest"** means any interest in the Debtor represented by shares of existing Rock Wool stock.

**1.1.58 "Legal Representative"** means Daniel M. Phillips, Esq., (or his successor), who was appointed by the Bankruptcy Court as a legal representative to protect the rights of, act on and otherwise represent the interests of all Unknown Asbestos Bodily Injury Claimants and all Unknown Asbestos Property Damage Claimants.

**1.1.59 "Lien"** shall have the meaning assigned to it in section 101(37) of the Bankruptcy Code.

**1.1.60 "Litigation Recoveries"** shall mean the proceeds recovered by the Debtor from any litigation, claim or Causes of Action it asserts against any other party, less expenses and fees incurred with respect to such recovery.

**1.1.61 "Objection Deadline"** shall mean the date that is the forty-fifth (45) day following the Confirmation Date, or such other date as may be ordered by the Bankruptcy Court.

**1.1.62 "Penalty Claim"** means any Claim (i) for any fine, penalty, collection fee, or forfeiture, or for multiple, exemplary, or punitive damages to the extent that such fine, penalty, forfeiture, or damages are not compensation for actual pecuniary loss suffered by the holder of such Claim, but not any such Claim to the extent that the Debtor has agreed to treat such Claim under the Plan as an Unsecured Claim, or (ii) that, pursuant to an order

of the Bankruptcy Court, is subordinated for purposes of distribution to all Allowed Unsecured Claims.

**1.1.63 "Person"** shall mean a person as described in 11 U.S.C. § 101(41).

**1.1.64 "Permanent Channeling Injunction"** means an order or orders of the Bankruptcy Court or the District Court permanently and forever staying, restraining, and enjoining any Entity from taking any of the following actions for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to any Asbestos Bodily Injury Claims and Demands or Asbestos Property Damage Claims and Demands (other than actions brought to enforce any right or obligation under the Plan and any Exhibits to the Plan, or any other agreement or instrument between the Debtor or the Reorganized Debtor and the Asbestos Trust, which actions shall be in conformity and compliance with the provisions hereof):

a. commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding (including, without express or implied limitation, any thereof in a judicial, arbitral, administrative, or other forum) against or affecting any Protected Party or any property or interests in property of any Protected Party;

b. enforcing, levying, attaching (including, without express or implied limitation, any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Protected Party or any property or interests in property of any Protected Party;

c. creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance against any Protected Party or any property or interests in property of any Protected Party;

d. setting off, seeking reimbursement of, contribution from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability owed to any Protected Party or any property or interests in property of any Protected Party; and

e. proceeding in any manner in any place with regard to any matter that is subject to resolution pursuant to the Asbestos Trust.

**1.1.65 "Petition Date"** shall mean the date on which the voluntary petition was filed by the Debtor commencing the Chapter 11 Case; to wit, November 18, 1996.

**1.1.66 "Plan"** shall mean the Debtor's Plan of Reorganization filed by Proponent, either in its present form or as it may be altered, amended, or modified from time to time.

**1.1.67 "Priority Tax Claim"** shall mean a Claim of a government unit of the kind specified in Section 507(a)(7) of the Bankruptcy Code.

**1.1.68 "Professional Persons"** shall mean Persons retained or to be compensated pursuant to section 327, 328, 330, 503(b), and 1102 of the Bankruptcy Code.

**1.1.69 "Proponent"** shall mean the Debtor as proponent of the Plan.

**1.1.70 "Pro Rata Share"** shall mean the proportion that the amount of an Allowed Claim in a particular class of Claims bears to the aggregate amount of all Claims in such class of Claims, including Contested Claims, but not including Disallowed Claims, (i) as calculated by the Debtor or by the Reorganized Debtor ten (10) Business Days before any Distribution Date; or (ii) as determined by the Bankruptcy Court in an estimated claims order, if such an order is sought and obtained.

**1.1.71 "Protected Party"** shall mean any of the following parties:

1.1.71.1 the Debtor, the Reorganized Debtor, and any of its pre and post-Confirmation Date officers, directors, stockholders, agents, employees, members, representatives, advisors, financial advisors, accountants and attorneys;

1.1.71.2 the Trust, and any of its Trustees, officers, directors, agents, employees, representatives, advisors, financial advisors, administrators, accountants and attorneys and the TAC, and any of its agents, employees, representatives, advisors and attorneys;

1.1.71.3 the Legal Representative and his agents, employees, representatives, advisors and attorneys;

1.1.71.4 the members of the Asbestos Claimants' Committee and their agents, employees, representatives, advisors and attorneys;

1.1.71.5 any Entity that, pursuant to the Plan or after the Effective Date, becomes a direct or indirect transferee of, or successor to, any assets of the Debtor, the Reorganized Debtor, or the Asbestos Trust (but only to the extent that liability is asserted to exist by reason of becoming such a transferee or successor);

1.1.71.6 any Entity that, pursuant to the Plan or after the Effective Date, makes a loan to the Reorganized Debtor or the Asbestos Trust or to a successor to, or transferee of, any assets of the Debtor, the Reorganized Debtor, or the Asbestos Trust (but only to the extent that liability is asserted to exist by reason of such Entity becoming such a lender or to the extent any pledge of assets made in connection with such a loan is sought to be upset or impaired); or

1.1.71.7 any Entity to the extent he, she, or it is alleged to be directly or indirectly liable for the conduct of, Claims against, or Demands on the Debtor, the Reorganized Debtor, or the Asbestos Trust on account of Asbestos Bodily Injury Claims or Asbestos Property Damage Claims by reason of one or more of the following:

1.1.71.7.1 such Entity's ownership of a financial interest in the Debtor or the Reorganized Debtor, or predecessor in interest of the Debtor or the Reorganized Debtor;

1.1.71.7.2 such Entity's involvement in the management of the Debtor or the Reorganized Debtor or any predecessor in interest of the Debtor or the Reorganized Debtor;

1.1.71.7.3 such Entity's service as an officer, director, or employee of the Debtor, the Reorganized Debtor, or Related Parties;

1.1.71.7.4 such Entity's provision of insurance to the Debtor, the Reorganized Debtor, or Related Parties; or

1.1.71.7.5 such Entity's involvement in a transaction changing the corporate structure, or in a loan or other financial transaction affecting the financial condition, of the Debtor, the Reorganized Debtor, or any of the Related Parties, including, but not limited to:

- a.) involvement in providing financing (debt or equity), or advice to an Entity involved in such transacting; or
- b.) acquiring or selling a financial interest in an Entity as part of such transaction.

**1.1.72 "Record Date"** shall mean the first Business Day that is five (5) days from and after the Confirmation Date.

**1.1.73 "Related Parties"** means (a) any predecessor in interest to the Debtor or Reorganized Debtor or (b) any Entity that owned a financial interest in the Debtor or Reorganized Debtor, or any predecessor in interest of the Debtor or Reorganized Debtor.

**1.1.74 "Released Party"** means the (a) Debtor, Reorganized Debtor, any of its respective successors or assigns and each of their present and former directors, officers, stockholders, agents, attorneys, accountants, financial advisors, investment bankers and employees, (b) the Legal Representative, (c) the professionals or experts retained by the Debtor, the Legal Representative or the members of the Asbestos Claimants' Committee.

**1.1.75 "Reorganized Debtor"** shall mean the Debtor as it may exist immediately after the Confirmation Date.

**1.1.76 "St. Paul"** means St. Paul Fire and Marine Insurance Company, including its associated, related, subsidiary, predecessor and successor companies.

**1.1.77 "Schedules"** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtor in Possession with the Bankruptcy Court, as required by section 521 of the Bankruptcy Code and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements may be amended by the Debtor in Possession from time to time in accordance with Bankruptcy Rule 1009.

**1.1.78 "Secured Claim"** shall mean a Claim secured by a Lien on Estate Assets, but only to the extent of the value of the collateral that secures payment of the Claim.

**1.1.79 "Subordinated Claim"** shall mean a Claim, which after notice and hearing, is equitably subordinated by the Bankruptcy Court.

**1.1.80 "Subscription Agreement"** is that certain Subscription Agreement substantially in the form of Exhibit E to the Plan.

**1.1.81 "Third Party Claim"** shall mean a claim by any entity against Rock Wool for contribution, or for any other asbestos-related claim or cause of action not otherwise set forth or provided for in the Plan.

**1.1.82 "Trust"** means the Asbestos Trust Agreement established in accordance with this Plan, which Trust is a "qualified settlement fund" pursuant to Section 468B of the IRC and the regulations issued pursuant thereto.

**1.1.83 "Trust Advisory Committee"** means the Committee appointed pursuant to Article XII, Section 12.7, of this Plan for the purpose of advising and approving certain actions of the Trustee in accordance with the terms and conditions contained in the Asbestos Trust Agreement, this Plan and the Confirmation Order.

**1.1.84 "Trust Documents"** means the Asbestos Trust Agreement, to be effective as of the Effective Date, as it may be amended or modified from time to time in accordance with this Plan, and the Asbestos Trust.

**1.1.85 "Trustee"** means the Person appointed pursuant to Article XII, Section 12.5, of this Plan for the purpose of acting as trustee<sup>1</sup> of the Trust in accordance with the

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<sup>1</sup> The Rock Wool Asbestos Trust shall actually have two Trustees. However, the Trustee named in Article 12.5 hereof shall have all of the powers and authority given to him under the Asbestos Trust Agreement annexed as Exhibit A to this Second Amended and Restated Plan of Reorganization. The Second Trustee and any successor to that Trustee (collectively the "Delaware Trustee") shall not have any of the powers or duties of the Trustee of the Trust set forth in the Asbestos Trust Agreement (except as



terms and conditions contained in the Asbestos Trust Agreement, this Plan and the Confirmation Order.

**1.1.86 "Trust Expenses"** means any of the Asbestos Bodily Injury Expenses and the Asbestos Property Damage Expenses, and any other liabilities, costs or expenses (including, but not limited to, operating costs and expenses, wages and salaries, taxes, insurance and professional fees) of or imposed upon or in respect of the Trust.

**1.1.87 "Unknown Asbestos Bodily Injury Claim"** means any Asbestos Bodily Injury Claim of an Unknown Asbestos Bodily Injury Claimant.

**1.1.88 "Unknown Asbestos Bodily Injury Claimant"** means all Persons who at any time assert or may assert an Asbestos Bodily Injury Claim and who (a) have been or assert that they have been exposed to asbestos or asbestos-containing products, that were manufactured, sold, supplied, produced, distributed, or in any way marketed by the Debtor, and have or assert that they have manifested an asbestos-related injury but who are unknown as of the date the Legal Representative was appointed and therefore may not have been provided with notice of the proceedings, provided that on the date that such Person is scheduled by the Debtor as a creditor or files a Proof of Claim, such Person shall no longer be deemed to be an Unknown Asbestos Bodily Injury Claimant, (b) have been or assert that they have been exposed to asbestos or asbestos-containing products, that were manufactured, sold, supplied, produced, distributed, or in any way marketed by the Debtor, but have not, or have not asserted that they have, manifested an asbestos-related injury, (c) may not be otherwise bound by terms of this Plan, or (d) by reason of lack of notice or due process otherwise, have or may have an Asbestos Bodily Injury Claim that may not be discharged under Section 1141(e) of the Bankruptcy Code.

**1.1.90 "Unknown Asbestos Property Damage Claim"** means any asbestos property damage claim of an unknown asbestos property damage claimant.

**1.1.91 "Unknown Asbestos Property Damage Claimant"** means all Persons who at any time assert or may assert an Asbestos Property Damage Claim and who (a) have been or assert that they have been damaged by the presence in buildings or other structures of asbestos or asbestos-containing products, that were manufactured, sold, supplied, produced, distributed, or in any way marketed by the Debtor, and have or assert that they have been damaged but who are unknown as of the date the Legal Representative was appointed and therefore may not have been provided with notice of the proceedings, provided that on the date that such Person is scheduled by the Debtor as a creditor or files a Proof of Claim, such Person shall no longer be deemed to be an Unknown Asbestos Property Damage Claimant, (b) have been or assert that they have been damaged by the presence in buildings or other structures of asbestos or asbestos-containing products, that were manufactured, sold, supplied, produced, distributed, or in any way marketed by the

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may be required under the Delaware Business Trust Act) and shall be a Trustee of the Trust for the sole purpose of satisfying the requirements of § 3807 of the Delaware Business Trust Act.

Debtor, but have not, or have not asserted that they have, discovered the damage, (c) have not been damaged by the presence in buildings in buildings or other structures of asbestos or asbestos containing products, that were manufactured, sold, supplied, produced, distributed, or in any way marketed by the Debtor, as of the Confirmation Date, (d) may not be otherwise bound by terms of this Plan, or (e) by reason of lack of notice or due process otherwise, have or may have an Asbestos Property Damage Claim that may not be discharged under Section 1141(d) of the Bankruptcy Code.

**1.1.92 "Unliquidated Claim"** means any Claim, the amount of liability for which has not been fixed, whether pursuant to agreement, applicable law, or otherwise, as of the date on which such Claim is sought to be estimated.

**1.1.93 "Unsecured Claim"** shall mean any Claim other than the Secured Claims, Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Subordinated Claims.

**1.1.94 "Voting Procedures Order"** means an order of the Bankruptcy Court approving procedures relating to the solicitation and tabulation of votes with respect to the Plan.

**APPLICATION OF DEFINITIONS AND RULES OF  
CONSTRUCTION CONTAINED IN THE BANKRUPTCY CODE**

1.2 Words and terms defined in section 101 of the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

## ARTICLE II

### PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND TAX CLAIMS

**2.1 Payment of Allowed Administrative Expenses.** The Allowed Amount of each Administrative Expense shall be paid in full, in cash on the Effective Date; *provided, however,* that (i) Administrative Expenses representing (a) liabilities incurred in the ordinary course of business by the Debtor in Possession or (b) liabilities arising under loans or advances to the Debtor in Possession, whether or not incurred in the ordinary course of business, shall be assumed and paid by the Reorganized Debtor in accordance with the terms and conditions of the particular transactions and any agreements relating thereto, (ii) the Bankruptcy Court shall fix in the Confirmation Order a date for the filing of, and a date to hear and determine all applications for final allowances of compensation or reimbursement of expenses under sections 330 and 503(b)(3)(F) of the Bankruptcy Code, and (iii) if an Administrative Expense, other than a trade payable incurred in the ordinary course of business by the Debtor in Possession, is a Contingent Claim or Unliquidated Claim as of the Effective Date, the Debtor may request the Bankruptcy Court to estimate such Administrative Expense pursuant to section 502(c) of the Bankruptcy Code, in which case the Allowed Amount of such Administrative Expense shall be paid in full, in cash, on the date that an order estimating such Administrative Expense becomes a Final Order.

**2.2 Compensation and Reimbursement.** The Allowed Amount of all Administrative Expenses arising under section 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code shall be paid in full, in cash, (a) upon the later of (i) the Effective Date and (ii) the date upon which the order with respect to the allowance or disallowance of an such Administrative Expense becomes a Final Order, or (b) upon such other terms as may be mutually agreed upon between each Administrative Expense Creditor and the Reorganized Debtor.

**2.3 Tax Claims.** All Allowed Priority Tax Claims shall be treated as follows: Each holder of an Allowed Priority Tax Claim shall receive monthly cash payments for twelve months from the Effective Date, pursuant to an amortization schedule.

## ARTICLE III

### CLASSIFICATION OF CLAIMS

**3.1 Summary.** For purposes of organization, voting and all confirmation matters, all Claims, including Tax Claims, and all Equity interests shall be classified as set forth in Article III of the Plan. A Claim is classified in a particular class only to the extent that the Claim qualifies within the description of that class and is classified in other classes to the extent that any remainder of the Claim qualifies within the description of such other classes. Furthermore, a Claim is classified within a particular class only to the extent that such Claim is an Allowed Claim in that class and has not been paid, released or otherwise satisfied prior to the Effective Date.

**3.2 Secured Claim of South Trust Bank of Alabama, N.A.**

Class 1: Class 1 consists of the Allowed Secured Claim of SouthTrust Bank of Alabama, N.A.

**3.3 Secured Claim of Caterpillar Financial Services, Inc.**

Class 2: Class 2 consists of the Allowed Secured Claim of Caterpillar Financial Services, Inc.

**3.4 Environmental Claims.**

Class 3: Class 3 consists of the Allowed Environmental Claim of OSHA.

**3.5 Priority Tax Claims.**

Class 4: Class 4 consists of the Allowed Priority Tax Claims.

**3.6 Unsecured Claims.**

Class 5: Class 5 consists of the Allowed Unsecured Claims.

Subclass (a): Subclass (a) consists of the Allowed Unsecured Claims of Asbestos Claimants who had liquidated, pre-petition claims that were not paid.

Subclass (b): Subclass (b) consists of all other Allowed Unsecured Claims not otherwise treated in the Plan.

**3.7 Asbestos Bodily Injury Claims.**

Class 6: Class 6 consists of the Allowed Asbestos Bodily Injury Claims.

**3.8 Asbestos Property Damage Claims.**

Class 7: Class 7 consists of the Allowed Asbestos Property Damage Claims.

**3.9 Equity Interest.**

Class 8: Class 8 consists of the Equity Interest in the Debtor.

## ARTICLE IV

### TREATMENT OF CERTAIN UNCLASSIFIED CLAIMS

The holders of Allowed Claims entitled to priority under Section 507(a)(1) of the Bankruptcy Code, including entities entitled to payment pursuant to Section 503 or Section 546(c) of the Bankruptcy Code, or otherwise inadvertently not included in the above classifications for any reason, shall receive on account of such Allowed Claims Cash in the amount of such Allowed Claims on the Effective Date or if they have a pre-bankruptcy claim against the bankruptcy estate, at the option of the Reorganized Debtor, shall retain their legal, contractual, and equitable rights against the Debtor. Notwithstanding the foregoing, each professional or members of the Asbestos Claimants' Committee who may be entitled to an allowance of fees and for expenses from the estate of the Debtor pursuant to Section 503(b)(2) through (6) of the Bankruptcy Code, shall receive Cash in the amount awarded to such professional or member of the Asbestos Claimants' Committee by Order of the Bankruptcy Court on the date on which an Order is entered by the Bankruptcy Court pursuant to Section 330 or Section 503(b)(2) through (b)(6) of the Bankruptcy Code approving allowance of compensation or reimbursement of expenses in favor of such professional or member of the Asbestos Claimants' Committee.

ARTICLE V

**IDENTIFICATION OF IMPAIRED CLASSES  
AND UNIMPAIRED CLASSES OF CLAIMS**

**5.1 Impaired Classes of Claims.**

Classes 5, 6, 7, and 8 are impaired under the Plan.

**5.2 Unimpaired Classes of Claims.**

Classes 1, 2, 3 and 4 are unimpaired.

**5.3 Impairment Controversies.**

If a controversy arises as to whether any Claim or any class of Claims is impaired under the Plan, within the meaning of Section 1124 of the Bankruptcy Code, the Bankruptcy Court shall, after notice and hearing, determine such controversy.



## ARTICLE VI

### PROVISIONS FOR TREATMENT OF CLAIMS AND EQUITY INTERESTS CLASSIFIED IN THE PLAN

#### 6.1 Claims.

The classes of Claims shall be treated as follows:

**6.1.1 Class 1 (Allowed Secured Claim of SouthTrust Bank).** The legal, equitable and contractual rights of the holder of a Class 1 Allowed Secured Claim shall remain unaltered by the Plan. The Debtor affirms any contract or contracts with SouthTrust Bank, and SouthTrust Bank shall retain all liens, if any, on property of the estate subsequent to the Confirmation Date. Class 1 is, therefore, not impaired under the Plan.

**6.1.2 Class 2 (Allowed Secured Claim of Caterpillar Financial Services, Inc )** The legal, equitable and contractual rights of the holder of a Class 2 Allowed Secured Claim shall remain unaltered by the Plan. The Debtor affirms any contract or contracts with Caterpillar Financial Services, Inc., and Caterpillar Financial Services, Inc. shall retain all liens, if any, on property of the estate subsequent to the Confirmation Date. Class 2 is, therefore, not impaired under the Plan.

**6.1.3 Class 3 (Allowed Environmental Claims Against the Debtor).** The legal, equitable and contractual rights of the holder of a Class 3 Allowed Environmental Claim shall remain unaltered by the Plan. OSHA is the sole holder of a Class 3 claim, and shall be paid pursuant to the terms of the Stipulation and Joint Motion, signed by the Secretary of Labor and Rock Wool Manufacturing Company, entered March 7, 1995, and the Order Approving Settlement, dated March 9, 1995. Class 3 is, therefore, not impaired under the Plan.

**6.1.4 Class 4 (Allowed Priority Tax Claims Against the Debtor).** Each holder of a Class 4 Claim shall receive full payment of all Claims plus interest, amortized over a period of twelve months from the Effective Date. Class 4 Claimants shall receive equal monthly payments, for 12 consecutive months, with the first payment to be made on the first day of the first month after the Effective Date. Class 4 is, therefore, not impaired under the Plan.

#### **6.1.5 Class 5 (Allowed Unsecured Claims Against the Debtor).**

**6.1.5.1 Subclass (a) Allowed Unsecured Claims of Asbestos Claimants who had liquidated, pre-petition claims that were not paid.** Each holder

of a Class 5, Subclass (a) Claim shall receive from St. Paul<sup>2</sup>, within 120 days after the Effective Date, a Cash payment in the amount of 100% of the Allowed Claim of such holder without interest, upon satisfaction of the following conditions: (i) the holder, or counsel for the holder, provides a signed release; (ii) defense counsel for Rock Wool consented to the settlement prior to the Filing Date; and (iii) Rock Wool consented to the settlement prior to the Filing Date. Such payment shall be in full settlement and compromise of all Claims by the holders of Class 5, Subclass (a) Claims. Class 5, Subclass (a) is, therefore, impaired under the Plan.

6.1.5.2 Subclass (b) Allowed Unsecured Claims not Otherwise treated in the Plan. Each holder of a Class 5, Subclass (b) Claim shall receive within 120 days after the Effective Date a Cash payment in the amount of 100% of the Allowed Claim of such holder without interest. Such payment shall be in full settlement and compromise of all Claims by the holders of Class 5, Subclass (b) Claims. Class 5, Subclass (b) is, therefore, impaired under the Plan.

**6.1.6 Class 6 (Allowed Asbestos Bodily Injury Claims Against the Debtor).** As of the Confirmation Date, liability for all Asbestos Bodily Injury Claims against Rock Wool shall be automatically and without further act or deed, transferred to, vested in and assumed by the Trust. Each Asbestos Bodily Injury Claim shall be addressed (i.e. Allowed or disallowed and, if Allowed, paid) by the Trust, pursuant to and in accordance with the Asbestos Bodily Injury Claims Resolution Procedures (Exhibit B). Class 6 is, therefore, impaired under the Plan.

**6.1.7 Class 7 (Allowed Asbestos Property Damage Claims Against the Debtor).** As of the Confirmation Date, liability for all Asbestos Property Damage Claims against Rock Wool shall be automatically and without further act or deed, transferred to, vested in and assumed by the Trust. Each Asbestos Property Damage Claim shall be addressed (i.e. Allowed or disallowed and, if Allowed, paid) by the Trust, pursuant to and in accordance with the Asbestos Property Damage Claims Resolution Procedures (Exhibit C). Class 7 is, therefore, impaired under the Plan.

**6.1.8 Class 8 (Equity Interest in the Debtor).** The legal, equitable and contractual rights of the holder of a Class 8 Allowed Claim shall transfer all interests in existence on the Filing Date to the Asbestos Trust. The holders of the Equity Interest in the Debtor shall not receive any distributions under the Plan or the Trust. Class 8 is, therefore, impaired under the Plan.

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<sup>2</sup> St. Paul's obligation to pay Asbestos Bodily Injury Claims is limited to \$126,818.06. Any amount due a holder of a Class 5, Subclass (a) Claim that exceeds St. Paul's obligation to pay Asbestos Bodily Injury Claims will be paid by Rock Wool.

## ARTICLE VII

### MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

7.1 **Modification of the Plan.** The Plan Proponent may, alter, amend, or modify the Plan under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date so long as the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code. After the Confirmation Date and prior to the Effective Date, the Plan Proponent, may alter, amend, or modify the Plan in accordance with section 1127(b) of the Bankruptcy Code.

#### 7.2 **Revocation or Withdrawal.**

7.2.1 **Right to Revoke.** The Plan Proponent reserves the right to revoke or withdraw the Plan prior to the Confirmation Date.

7.2.2 **Effect of Withdrawal or Revocation.** If the Plan is revoked or withdrawn prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by the Debtor or to prejudice in any manner the rights of the Debtor in any further proceedings involving the Debtor.

7.3 **Amendment of Exhibits to the Plan.** From and after the Effective Date, the authority to amend, modify, or supplement the Exhibits to the Plan and any documents attached to such Exhibits shall be as provided in such Exhibits and their respective attachments.

## ARTICLE VIII

### PROVISIONS FOR TREATMENT OF DISPUTED CLAIMS

8.1 **Objections to Claims; Prosecution of Disputed Claims.** The Debtor or the Reorganized Debtor shall object to the allowance of Claims filed with the Bankruptcy Court (other than Asbestos Bodily Injury Claims and Asbestos Property Damage Claims) with respect to which the Reorganized Debtor disputes liability in whole or in part. All objections shall be litigated to Final Order, unless they are compromised and settled with approval by Final Order. The Asbestos Trust shall be vested with the complete power and authority to prosecute any objections to Asbestos Claims.

8.2 **Distributions on Account of Disputed Claims.** Notwithstanding Article VI hereof, a Distribution shall only be made by the Reorganized Debtor to the holder of a Disputed Claim when, and to the extent that, such Disputed Claim becomes Allowed. No interest shall be paid on account of Disputed Claims that later become Allowed except to the extent that payment of interest is required under section 506(b) of the Bankruptcy Code. No Distribution shall be made with respect to all or any portion of any Disputed Claim pending the entire resolution thereof in the manner prescribed in Article 8.1 hereof.

## ARTICLE IX

### ACCEPTANCE OR REJECTION OF THE PLAN

#### 9.1 Classes Entitled to Vote.

Each impaired class of Claims shall be entitled to vote separately to accept or reject the Plan. Impaired Classes are Classes 5, 6, 7, and 8. Unimpaired classes of Claims shall not be entitled to vote to accept or reject the Plan. Unimpaired Classes are 1, 2, 3, and 4.

#### 9.2 Class Acceptance Requirement.

A class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the holders of Claims in such class that have timely and properly voted on the Plan. A class of Equity Interests shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount of the holders of Equity Interests in such class that have timely and properly voted on the Plan.

Classes 6 and 7 shall have accepted the Plan if it is accepted by at least seventy-five percent (75%) in number of the holders of Claims in such class that have timely and properly voted on the Plan, as required under 11 U.S.C. Section 524(g); otherwise, the same requirements set forth in the paragraph above will apply.

#### 9.3 Confirmability of the Plan.

The confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied with respect to the Debtor. In addition, the Proponent reserves the right to withdraw the Plan from confirmation consideration at any time prior to the entry of the Confirmation Order.

#### 9.4 Cramdown.

In order to confirm this Plan, among other things, the Proponent must establish that in accordance with section 1129(a)(5) of the Bankruptcy Code, each Class of Claims or Equity Interests either (a) has accepted the Plan or (b) is not impaired under the Plan. In the event this requirement cannot be satisfied and all other requirements for confirmation under section 1129(a) of the Bankruptcy Code are met, the Proponent reserves the right to invoke the "cramdown" entitlement under section 1129(b) of the Bankruptcy Code, such that, so long as the Plan does not discriminate unfairly and is fair and equitable, with respect to such class of Claims or Equity Interests that is impaired under and has not accepted the Plan, the Plan may be confirmed by the United States Bankruptcy Court and/or by the District Court.

## ARTICLE X

### MEANS FOR IMPLEMENTATION OF THE PLAN

**10.1 Management.** The officers, directors and shareholders of the Debtor shall be changed pursuant to this Plan of Reorganization and the Trust Documents. The Management of the Reorganized Debtor shall be appointed at the sole discretion of the Trustee. The Board of Directors shall not be dissolved until such time as the Trustee elects to do so, in accordance with the Rock Wool by-laws.

**10.2 Date of Distributions.** The Reorganized Debtor shall make distributions to Class 1, 2 and Class 3 Claimants pursuant to the terms of the agreements. Distributions to the Class 4 Claimant shall be made pursuant to Article 6, Section 6.1.4. The Reorganized Debtor shall make distributions sufficient to pay all Class 5 unsecured creditors 100% of their claims without interest, within 120 days of the Effective Date. Class 6 and 7 Claimants shall receive payment according to the terms and conditions of the Asbestos Claims Resolution Procedures. All other distributions will be made according to the conditions set forth in this Plan.

**10.3 Distribution Agent.** The Reorganized Debtor shall serve as the sole distribution agent pursuant to the terms and provisions of this Plan, except under those circumstances stated in the Asbestos Claims Resolution Procedures, wherein the Asbestos Trust or St. Paul shall be the distribution agents. The Reorganized Debtor shall make reports no less than monthly with the United States Bankruptcy Court, and the Bankruptcy Administrator, with respect to distributions under this Plan, until such time as this Chapter 11 case is closed by Final Order.

**10.4 Expenses Incurred On or After the Confirmation Date.** Except as otherwise ordered by the Bankruptcy Court, the amount of any expenses incurred by the Reorganized Debtor on or after the Effective Date (including, but not limited to, taxes) and any compensation and expenses (including any post-confirmation fees, costs, expenses or taxes) to be paid by the Reorganized Debtor may be withheld from the assets to be distributed under this Plan until the aforementioned compensation and expenses are satisfied in full. In short, there may be a brief delay in payment to creditors as contemplated in this Plan, of no more than sixty (60) days, if events beyond the control of the Reorganized Debtor arise. If any such event occurs, the Reorganized Debtor will notify in writing all creditors affected by the delay, the reasons therefor and the date of the next anticipated payment.

**10.5 Time Bar to Cash Payments.** Checks issued by the Reorganized Debtor, in respect of Allowed Claims, shall be null and void if not negotiated within ninety (90) days after the issuance thereof.

**10.6 Distribution of Unclaimed Property.** Any distribution under the Plan that is unclaimed after one hundred eighty (180) days following the date such property is distributed shall be deemed not to have been made and shall be transferred to the Reorganized Debtor, free and clear of any claims or interests of any Entities, including, without express or implied limitation, any claims or interest of any governmental unit under escheat principles. Nothing contained herein shall affect the discharge of the Claim with respect to which such Distribution was made, and the holder of such Claim shall be forever barred from enforcing such Claim against the Reorganized Debtor, the Reorganized Debtor's assets, estates, properties or interests in property, or against the Asbestos Trust, its assets, estates, properties or interest in property.

**10.7 Occurrence of the Effective Date.** The "effective date of the plan," as used in section 1129 of the Bankruptcy Code, shall not occur, and the Plan shall be of no force and effect, until the Effective Date. The occurrence of the Effective Date is subject to the satisfaction of the following conditions precedent:

10.7.1 The Confirmation Order has become a Final Order, or, if not, then at least ninety (90) days have elapsed since the Confirmation Date.

10.7.2 The Bankruptcy Court and/or the District Court, as required, shall have entered the Permanent Channeling Injunction, which shall contain terms satisfactory to the Plan Proponent.

10.7.3 The Confirmation Order and the Permanent Channeling Injunction shall be in full force and effect.

10.7.4 The Trustees have been selected.

10.7.5 All Trustees have executed the Asbestos Trust.

Notwithstanding the foregoing, the Plan Proponent reserves, in its sole discretion, the right to waive the occurrence of any of the foregoing conditions precedent to the Effective Date or to modify any of such conditions precedent. Any such waiver of a condition precedent hereof may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

**10.9 Funding of the Plan.** The Plan shall be funded from the general operating accounts of the Reorganized Debtor, all existing common stock of Rock Wool, and, to a limited extent, by the remaining insurance proceeds available to be paid under Rock Wool's policies of insurance with St. Paul. The Asbestos Trust will be funded on the Effective Date by the following:

- (a) All of the common stock of Rock Wool;
- (b) All remaining insurance proceeds of St. Paul that relate to the payment of Asbestos Bodily Injury Claims, said proceeds being \$126,818.06, minus sums of money necessary to pay Class 5, subclass (a) in full;
- (c) Rock Wool shall pay all of its income into the Trust, less a sufficient amount of operating capital sufficient to maintain successful business operations; and
- (d) the obligation of St. Paul to pay Asbestos Property Damage Claims, pursuant to the Asbestos Property Damage Claims Resolution Procedures, until St. Paul has paid a total of \$1,680,665.00, or its remaining Property Damage Limits, whichever is less.



## ARTICLE XI

### TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.1 **Assumption and Rejection.** The Plan constitutes and incorporates a motion to assume all prepetition executory contracts and unexpired leases within the meaning of Section 365 of the Bankruptcy Code to which the Debtor is a party. A new agreement between Rock Wool Manufacturing Company and Mineral Products and Technology will be effective upon Confirmation of the Second Amended and Restated Plan of Reorganization; however in the event of termination of this new agreement between Rock Wool and Mineral Products and Technology, the previously existing non-exclusive license granted to Rock Wool Manufacturing Company by Mineral Products and Technology, dated December 2, 1993, will be resumed automatically, which shall be assumed pursuant to this section. The Confirmation Order shall automatically constitute the approval, effective as of the Confirmation Date, of such assumptions (and assignments) of Executory Contracts and Unexpired Leases. Any monetary amounts by which the contracts and leases to be assumed under the Plan are in default shall be satisfied by delivery of a single Cash payment within 120 days of the Effective Date.

11.2 **Bar to Rejection Damages.** If the rejection of any executory contract or unexpired lease by operation of the Confirmation Order or otherwise results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Debtor, its Estate or properties or agents, successors, or assigns, unless a proof of claims is filed with the Bankruptcy Court and served upon counsel for the Proponent on or before thirty days after entry of the Confirmation Order.

11.3 **Indemnification and Reimbursement Obligations.** For purposes of the Plan, the obligations of the Debtor to indemnify and reimburse its directors or officers, respectively, as of the Petition Date or who became directors or officers after the Petition Date against and for any obligations pursuant to articles of incorporation, codes or regulations, bylaws, applicable state law, or specific agreement, or any combination of the foregoing shall survive confirmation of the Plan, remain unaffected thereby, and not be discharged in accordance with section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with an event occurring before, on, or after the Petition Date.

## ARTICLE XII

### TRANSFERS OF PROPERTY TO AND ASSUMPTION OF CERTAIN LIABILITIES BY THE ASBESTOS TRUST

**12.1 Establishment and Purpose of the Trust.** On the Confirmation Date, the Trust shall be established in accordance with the Trust Documents. The Trust is a "qualified settlement fund" within the meaning of Section 468B of the IRC and the regulations issued pursuant thereto. The purpose of the Trust shall be to, among other things, (a) direct the liquidation and resolution of all Asbestos Claims in accordance with the Plan and the Asbestos Claims Resolution Procedures and (b) preserve, hold, manage, and maximize the Trust Assets for use in paying and satisfying Allowed Asbestos Claims. The Asbestos Claims Resolution Procedures shall provide for the allowance and payment or disallowance of Asbestos Claims pursuant to the terms of the Trust Documents and to the terms of the Asbestos Claims Resolution Procedures.

With respect to Asbestos Bodily Injury Claims, the Trust shall pay Allowed Asbestos Claims on a flat rate distribution based upon an actuarial report and available trust property, subject to the powers of the Trustee to modify the distributions. Claims received first will be processed and paid first. It is estimated that the first payment to claimants will be made during the 3<sup>rd</sup> quarter of the year 2001.

**12.2 Transfer of Certain Property to the Asbestos Trust.** By the transfer of the assets listed below, the Asbestos Trust will be funded on the Effective Date by the following:

- (a) All of the common stock of Rock Wool;
- (b) All remaining insurance proceeds of St. Paul that relate to the payment of Asbestos Bodily Injury Claims, said proceeds being \$126,818.06, minus sums of money necessary to pay Class 5, subclass (a) in full;
- (c) Rock Wool shall pay all of its income into the Trust, less a sufficient amount of operating capital sufficient to maintain successful business operations; and
- (d) the obligation of St. Paul to pay Asbestos Property Damage Claims, pursuant to the Asbestos Property Damage Claims Resolution Procedures, until St. Paul has paid a total of \$1,680,665.00, or its remaining Property Damage limits, whichever is less.

On the Effective Date or as soon thereafter as practicable, the Reorganized Debtor shall transfer and assign, or cause to be transferred and assigned, to the Asbestos Trust the books and records of the Debtor that pertain directly to Asbestos Bodily Injury Claims and Asbestos Property Damage Claims that have been asserted against the Debtor. The Plan

Proponent will request that the Bankruptcy Court and/or the District Court, in the Confirmation Order, rule that such transfer does not result in the destruction or waiver of any applicable privileges pertaining to such books and records. Otherwise, at the option of the Plan Proponent, the Reorganized Debtor will retain the books and records and enter into an arrangement to permit the Asbestos Trust to have access to such books and records.

**12.3 Assumption of Certain Liabilities by the Asbestos Trust.** In consideration for the property transferred to the Asbestos Trust pursuant to Article 12.2 hereof and in furtherance of the purposes of the Asbestos Trust and the Plan, the Asbestos Trust shall assume all liability and responsibility for all Asbestos Bodily Injury Claims and all Asbestos Property Damage Claims, and the Reorganized Debtor shall have no further financial or other responsibility therefor.

**12.4 Authority of the Reorganized Debtor.** On the Confirmation Date, the Debtor shall be empowered and authorized to take or cause to be taken, prior to the Effective Date, all actions necessary to enable it to implement effectively the provisions of the Plan and the Asbestos Trust.

**12.5 Trustees of the Asbestos Trust.** There shall be two (2) Trustees of the Asbestos Trust. The Trustees shall be Sylvester F. Minter III, and the Wilmington Trust Company of Wilmington, Delaware (the "Delaware Trustee"). The duties, powers, rights, and other provisions pertaining to the Trustees are set forth in the Asbestos Trust Agreement, attached hereto and incorporated herein by reference. The Delaware Trustee shall be a Trustee of the Trust for the sole purpose of satisfying the requirements of § 3807<sup>3</sup> of the Delaware Business Trust Act.

12.5.1 The Trustees shall serve in accordance with the terms of the Trust Agreement. Any successor Trustee shall be appointed in accordance with the terms of the Trust Agreement. For purposes of performing the duties and fulfilling the obligations under the Trust Agreement and this Plan, the Trustees shall be deemed to be a "party in interest" within the meaning of Section 1109(b) of the Bankruptcy Code.

**12.6 Legal Representative.** On the Effective Date, the appointment of the Legal Representative shall be terminated and the Legal Representative shall be released and discharged of and from all further authority, duties, responsibilities, liabilities and obligations related to, or arising from, this Chapter 11 Case.

**12.7 Trust Advisory Committee.** There shall be three (3) members of the Trust Advisory Committee. They shall be Nancy Worth Davis, Esq., Sanders McNew, Esq., and Mary Skelnick, Esq. The duties, powers, rights and other provisions pertaining to the

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<sup>3</sup> 12 Del. Laws § 3807(a) provides:

(a) Every business trust shall at all times have at least 1 trustee which, in the case of a natural person, shall be a person who is a resident of this State or which, in all other cases, has its principal place of business in this State.

Trust Advisory Committee are set forth in the Asbestos Trust Agreement, attached hereto and incorporated herein by reference.

12.7.1 The Trust Advisory Committee (the "TAC") shall serve in accordance with the terms of the Trust Agreement. Any successor TAC member shall be appointed in accordance with the terms of the Trust Agreement.

**12.8 Costs of Trust Administration.** The Trustees of the Asbestos Trust will administer the Trust in a feasible and efficient means. The initial start-up costs are estimated to be approximately \$55,000-\$65,000.00. The initial start-up costs covers software, hardware, overhead, insurance, fees related to the Trustees and support staff, equipment and supplies.

12.8.1 Savings to Sub-Trust. In the event that the Asbestos Trust is merged into a sub-trust of another Trust, it is anticipated that all general administrative costs of the Asbestos Trust will go down. The savings will come from common overhead, administration and TAC meetings. It is contemplated by the Trustee, that travel costs of the TAC members could be shared among several Trusts, as opposed to being borne by just one.

## ARTICLE XIII

### PROCEDURES FOR RESOLVING AND TREATING CONTESTED CLAIMS

**13.1 Objection Deadline.** As soon as practicable, but in no event later than the Objection Deadline, the Debtor, or the Reorganized Debtor, shall file objections to Claims with the Bankruptcy Court and serve such objections upon the holders of each of the Claims to which objections are made. No objections to Asbestos Bodily Injury Claims or Asbestos Property Damage Claims shall be filed by the Debtor or by the Reorganized Debtor. The Asbestos Trust shall be vested with the complete power and authority to prosecute any objections to Asbestos Claims.

**13.2 No Distributions Pending Allowance.** Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any Claim to the extent it is a Contested Claim unless and until such Contested Claim becomes an Allowed Claim.

## ARTICLE XIV

### INJUNCTIONS, RELEASES AND DISCHARGE

**14.1 Discharge and Release.** Except as specifically provided in the Plan or in the Confirmation Order, effective on the Effective Date, Confirmation shall (a) discharge the Debtor, Rock Wool Manufacturing Company, and the Trust, from any and all Claims, including any Claim of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of claim based on such Claim was filed or deemed filed under Section 501 of the Bankruptcy Code, or such Claim was listed on the Schedules of the Debtor, (ii) such Claim is or was Allowed under Section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has voted on or accepted the Plan and (b) except as otherwise provided in the Plan, the rights that are provided in the Plan shall be in complete settlement, satisfaction, release and discharge of and shall void and extinguish (I) all Claims against the Debtor and the Trust; (II) all Liens against the Debtor, the Trust, or the assets and properties of the Debtor and the Trust; (III) all causes of action, whether known or unknown, either directly or derivatively through the Debtor or the Released Parties based on the same subject matter as any of the Claims or Liens described in I and II above. Further, but in no way limiting the generality of the foregoing, except as otherwise specifically provided in the Plan, any Person or any Entity accepting any distributions or rights pursuant to the Plan shall be presumed and deemed conclusively to have released each of the Protected Parties and/or Released Parties from any cause of action based on the same subject matter as the Claim or Demand on which the distribution or right is received.

**14.2 Discharge Injunction.** Except as specifically provided in the Plan to the contrary, the satisfaction, release and discharge set forth in Article 14.1 shall also operate as an injunction prohibiting and enjoining the commencement or continuation of any action, the employment of process or any act to collect, recover from or offset (a) any Claim against or interest in the Debtor or the Trust by any Person or any Entity and (b) any cause of action, whether known or unknown, against any of the Protected Parties and/or Released Parties based on the same subject matter as any Claim or interest described in subpart (a) of this Article 14.2.

**14.3 The Permanent Channeling Injunction.** In order to supplement the injunctive effect of the Discharge Injunction, and pursuant to Section 524(g) of the Bankruptcy Code, the Confirmation Order shall provide for the following injunction to take effect as of the Confirmation Date.

#### **14.3.1 Permanent Channeling Injunction.**

14.3.1.1 **Terms.** In order to preserve and promote the settlements contemplated by and provided for in the Plan, and to supplement, where necessary, the injunctive effect of the discharge both provided by Sections 1141 and 524 of the Bankruptcy Code and as described in this Article, and pursuant to the exercise of

the equitable jurisdiction and power of the Bankruptcy Court and/or the District Court under Sections 524(g) of the Bankruptcy Code. all Persons and all Entities which have asserted, which hold or assert or which may in the future hold or assert any claim, demand, or cause of action (including, but not limited to, any Asbestos Claim, or any claim or demand for, or respecting any Trust Expense) against the Protected Parties and/or Released Parties (or any of them) based upon, relating to, arising out of, or in any way connected with any Asbestos Claim, whenever and wherever arising or asserted (including, but not limited to, all thereof in the nature of or sounding in tort, contract, warranty or any other theory of law, equity or admiralty) or interest shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering or receiving payments, satisfaction or recovery with respect to any such claim, demand, cause of action or interest, including, but not limited to:

- (A) commencing or continuing in any manner any action or proceeding of any kind with respect to any such claim, demand, cause of action or interest against any of the Protected Parties and/or the Released Parties, or against the property of any Protected Party and/or any Released Party with respect to any such claim, demand, cause of action or interest;
- (B) enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree or order against any of the Protected Parties and/or any of the Released Parties or against the property of any Protected Party and/or any Released Party with respect to any such claim, demand, cause of action or interest;
- (C) creating, perfecting or enforcing any Lien of any kind against any Protected Party and/or any Released Party or the property of any Protected Party and/or any Released Party with respect to any such claim, demand, cause of action or interest;
- (D) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind against any obligation due any Protected Party and/or any Released Party or against the property of any Protected Party and/or any Released Party with respect to any such claim, demand, cause of action or interest;

- (E) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan, the Plan Documents or the Trust Documents relating to such claim, demand, cause of action or interest;
- (F) commencing or continuing in any manner any action or other proceeding of any kind, including but not limited to, joinder as a third party defendant, with respect to any such Third Party Claim against any Protected Party and/or any Released Party or against the property of any Protected Party and/or any Released Party with respect to any such Third Party Claim;
- (G) enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree or order against any Protected Party and/or any Released Party or against the property of any Protected Party and/or any Released Party with respect to any such Third Party Claim;
- (H) creating, perfecting or enforcing any Lien of any kind against any Protected Party and/or any Released Party or the property of any Protected Party and/or any Released Party with respect to any such Third Party Claim;
- (I) commencing any action or other proceeding of any kind or enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree or order, with respect to any such Third Party Claim against a Protected Party and/or a Released Party that pursuant to the Plan or after the Confirmation Date makes a loan to any of the Protected Parties and/or the Released Parties, or creating, perfecting, enforcing, attaching, recovering, upsetting or impairing any Lien made in connection with such loan by reason of any such Third Party Claim;
- (J) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation or contribution recoupment of any kind



against any obligation due any Protected Party and/or any Released Party or against the property of any Protected Party and/or any Released Party with respect to any such Third Party Claim; and

- (K) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan, the Plan Documents or the Trust Documents relating to such Third Party Claim.

14.3.1.2 Reservations. Notwithstanding anything to the contrary above, this Permanent Channeling Injunction shall not impair:

- (A) the rights of Entities to the treatment accorded them under Articles 2 and 6, as applicable, including the rights of Entities with Asbestos Claims to assert such Asbestos Claims solely against the Trust in accordance with the Asbestos Claims Resolution Procedures; and
- (B) the rights of Entities to assert any Claim, debt, obligation or liability for payment of Trust Expenses solely against the Trust.

## ARTICLE XV

### MISCELLANEOUS PROVISIONS

**15.1 Notice of Entry of Confirmation Order and Relevant Dates.** Promptly upon entry of the Confirmation Order, the Proponent shall serve on all parties in interest, all holders of Claims, or their attorneys as provided by Order previously in this case, and all holders of Equity Interests, notice of the entry of the Confirmation Order and all relevant deadlines and dates under the Plan, including, but not limited to, the deadline for filing notice of Administrative Claims (Article 2 hereof), and the deadline for filing rejection damage claims (Article 11.2 hereof).

**15.2 Compliance with Tax Requirements.** In connection with the Plan, the Debtor shall comply with all applicable withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all distributions hereunder shall be subject to such withholding and reporting requirements.

**15.3 Compliance with all Applicable Laws.** If notified by any governmental authority that they are in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the Debtor shall take whatever action as may be required to comply with such law, rule, regulation, or order; provided, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith, and, if appropriate, an adequate reserve for such requirement has been set aside.

**15.4 Discharge of Non-Debtor Obligations.** Nothing contained in this Plan shall be deemed to affect the liabilities of any person or entity who may be obligated on a Claim by virtue of a guaranty agreement or other agreement.

**15.5 Payment of Statutory Fees.** All fees payable pursuant to Section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing shall be paid on or before the Effective Date.

**15.6 Binding Effect.** The Plan shall be binding upon and inure to the benefit of the Debtor, the holders of all Claims, the holders of all Equity Interests, and their respective successors and assigns.

**15.7 Governing Law.** Unless a rule of law or procedure is governed by federal law (including the Bankruptcy Code and Bankruptcy Rules), the internal laws of the State of Alabama shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, with the exception of the Asbestos Trust Agreement and Claims Resolution Procedures, which shall be governed under the laws of Delaware.

**15.8 Transfer Taxes.** The transfer of any Liquidation Assets and the making or delivery of any instrument of transfer pursuant to this Plan, including deeds and articles of transfer, shall not be taxed under any law imposing a stamp tax, transfer tax, sales tax, pursuant to section 1146(c) of the Bankruptcy Code.

**15.9 Discharge of Claims Against Estate Assets.** Except as otherwise provided herein or in the Confirmation Order, the rights afforded in this Plan and the payments and distributions to be made hereunder shall be in complete exchange for, and in full satisfaction, discharge and release of, all existing debts and Claims of any kind, nature or description whatsoever against the Debtor and the Estate Assets, and upon the Effective Date, all existing Claims against the Debtor and the Estate Assets shall be, and shall be deemed to be, exchanged, satisfied, discharged and released in full, except as otherwise provided in the Plan; and all holders of Claims shall be precluded and enjoined from asserting against the Debtor and the Estate Assets any Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder filed a proof of claim.

**15.10 Vesting of Property.** Except as otherwise provided in the Plan, upon the Confirmation Date, title to all assets and properties dealt with by the Plan and all Causes of Action shall pass to the Reorganized Debtor, free and clear of all Allowed Claims, liens and encumbrances, except as provided in the Plan, and the Final Order confirming the Plan shall be a judicial determination of discharge of the Debtor's liabilities, except as provided by the Plan.

**15.11 Discharge of Debtor.** The rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued thereon from and after the Petition Date, against the Debtor and the Debtor in Possession, or any of its estates, assets, properties or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Debtor and the Debtor in Possession shall be satisfied, discharged, and released in full. The Reorganized Debtor shall not be responsible for any obligations of the Debtor or the Debtor in Possession except those expressly assumed by the Reorganized Debtor in the Plan, if any. All Entities shall be precluded and forever barred from asserting against the Debtor, the Reorganized Debtor, its respective successors or assigns, or its assets, properties, or interests in property, any other or further Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

**15.12 Exculpation.** Neither the Legal Representative, the Reorganized Debtor, the members of the Asbestos Claimants' Committee nor any of their officers, directors, employees, or agents shall have or incur any liability to any Entity for any act or omission in connection with or arising out of the pursuit of confirmation of the Plan, the

consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct, and in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

**15.13 Severability.** At the Debtor's sole discretion, any provision of the Plan, the Confirmation Order, the Permanent Channeling Injunction, or any of the Exhibits to the Plan that is prohibited, unenforceable, or invalid shall, as to any jurisdiction in which such provision is prohibited, unenforceable, or invalidated, be ineffective to the extent of such prohibition, unenforceability, or invalidation without invalidating the remaining provisions of the Plan, the Confirmation Order, the Permanent Channeling Injunction, and the Exhibits to the Plan or affecting the validity or enforceability of such provision in any other jurisdiction.

**15.14 Bar Date for Asbestos Property Damage Claims.** All Allowed Class 7 Asbestos Property Damage Claims, shall be paid by the Rock Wool Asbestos Trust; however, any and all Property Damage Claims shall be barred ten (10) years after the Effective Date.

**15.15 Release of St. Paul.** St. Paul shall be released by Rock Wool Manufacturing Company and the Asbestos Trust for all Claims submitted to the Asbestos Trust after the ten (10) year bar date in Article 15.14 above. St. Paul shall also be released by Rock Wool Manufacturing Company and the Asbestos Trust and all Asbestos Bodily Injury Claimants after St. Paul has paid Rock Wool's remaining insurance limits that is available for Asbestos Bodily Injury Claims into the Asbestos Trust pursuant to Article 12.2 above.

**15.16 St. Paul's Right to Challenge Trustee's Decisions in Administration of the Asbestos Property Damage Claims Resolution Procedures.** St. Paul shall have the right and standing to challenge the decisions of the Asbestos Trust in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, if St. Paul believes in its sole discretion that the Trustee is failing or has failed to adhere to the Asbestos Property Damage Claims Resolution Procedures.

**15.17 Creation of Minrock, LLC.**

15.17.1 History. Rock Wool has manufactured mineral wool insulation since 1943. Its products fell into two general categories: 1) loose fill insulation and 2) bonded insulation products.

Historically, the market for industrial pipe insulation was dominated by asbestos containing calcium silicate and 85% magnesia pipe insulation. In the early 1970's, when the use of asbestos in insulation products was discontinued, the market opened to the use of other materials. Because of the high cost of

product development and the minimal success met by other domestic mineral wool manufacturers, Rock Wool chose not to enter the pipe insulation market.

In response to this decision, a group, including some of Rock Wool's minor stockholders (the Nelson family) set out to produce pipe insulation on their own. The Nelsons established a separate corporation, Delta Systems, Inc. Delta Systems developed machinery to convert flat mineral wool board into round pipe insulation and went to the market with their product during the period of 1978-79. From 1980 until mid-1987, Rock Wool acted as a sales agent for Delta Systems, selling Delta Systems' v-groove pipe insulation. In 1987 Delta Systems unilaterally changed the sales agency agreement to substantially reduce the commission being paid to Rock Wool, ending the relationship.

In 1987, certain stockholders of Rock Wool and Delta Systems, and persons with no connection to either company, invested in excess of \$500,000.00 in a new company called Mineral Products and Technology, Inc. (Mineral Products). Mineral Products, at its own expense, developed machinery and technology and set up a manufacturing facility which converted flat mineral wool board into pipe insulation. Mineral Products purchased the mineral wool board used in the process from Rock Wool and sold the finished product exclusively to Rock Wool. Rock Wool resold it to the insulation trade through its existing distribution and sales organization.

Meanwhile, Delta Systems sought to control the technology by filing for a patent on the v-groove apparatus it was using in 1987, which application eventually led to the issuance of U.S. Patent No. 4,838,968 ("968") on June 13, 1989. A second application was filed on June 12, 1989 resulting in the grant of U.S. Patent No. 4,954,202 ("202") issued on September 4, 1990.

In April 1988, Delta Systems sued Mineral Products and Rock Wool in the Circuit Court of Harris County, Texas on a theory of misappropriation of technology. The lawsuit was settled in July, 1989 on terms that recognized Mineral Products' rights to continue to utilize all the technology it was then using and recognized Rock Wool's rights to sell insulation products made with that technology. Mineral Products was precluded from using the improved technology, which had become the subject matter of the "968" patent.

In August, 1989, Delta Systems was sold to Industrial Insulations of Texas (IIT), a subsidiary of First Mississippi Corporation. In 1991, IIT filed a patent infringement lawsuit against Mineral Products and Rock Wool. IIT further alleged that Mineral Products and Rock Wool had no right to use the technology covered in the Delta Systems settlement agreement inasmuch as the "968" patent and technology had been transferred to IIT prior to the settlement. Mineral Products alleged fraud in a counter-complaint. The litigation was settled in December, 1992. Terms of the settlement provided that Mineral Products and Rock Wool would purchase the primary assets of IIT that related to the manufacture of pipe insulation; namely patents

and the specialized machinery and equipment used in the process of making pipe insulation for \$200,000.00 and a percentage of profits from the manufacture and sale of v-groove pipe insulation over a four-year period. The cash payment was made in this manner: \$125,000.00 from Rock Wool and \$75,000.00 from Mineral Products. The patents were assigned to Mineral Products and Rock Wool as co-owners on March 10, 1993. On August 20, 1993, Rock Wool assigned its ownership in the patents to Mineral Products and, in exchange, Mineral Products assigned its interest to Rock Wool in the operable machinery and that equipment that had been owned and operated by IIT to manufacture pipe insulation, and had been appraised at a value of \$446,820. There was no appraisal or other valuation of the patents transferred to Mineral Products. Mineral Products also received sole ownership of one inoperable pipe insulation machine.

Since August, 1993, Mineral Products has been responsible for maintaining the patents in force and effect by paying the maintenance fees and annuity fees on the patents. Rock Wool has had no responsibility or expense in the maintenance of the patents. Currently Rock Wool owns machinery and equipment in Houston, Texas. This equipment is operated by Mineral Products employees in a facility sub-leased by Rock Wool from Mineral Products. Mineral Products owns equipment in Leeds, Alabama. This equipment is operated by Mineral Products employees in a facility owned by Rock Wool. Both facilities are operated to convert board insulation into v-groove pipe insulation. Mineral Products has not provided conversion services to any entity other than Rock Wool.

Under a handshake agreement based on the trust and friendship between Mineral Products and Rock Wool, Mineral Products sells conversion services to Rock Wool, billing Rock Wool on a cost basis with an override at ten percent (10%) for the operation at Leeds, Alabama and fifteen percent (15%) for the operation at Houston, Texas. The majority of the costs associated with the conversion process are labor, supervision, payroll, insurance and taxes.

Mineral Products granted a non-exclusive license entitling Rock Wool to use the technology embodied in the "968", "202" and other patents owned by Mineral Products. Mineral Products has not granted any other licenses. Rock Wool pays a royalty of one and one half percent (1.5%) to Mineral Products based on Rock Wool's net sales of v-groove pipe insulation. The license agreement is terminable for cause by Mineral Products. The handshake agreement is terminable at will. Mineral Products may, at any time, license the v-groove technology to a competitor of Rock Wool, sell conversion services to any entity, or use the technology to compete directly with Rock Wool.

15.17.2 Business Judgment. The v-groove insulation process, which was the subject of the non-exclusive licensing agreement, provides approximately 25% of the sales of Rock Wool annually. Minrock, LLC was organized to protect this important

revenue stream derived from the sale of v-groove pipe insulation. Specifically, Minrock, LLC was organized for the following specific purposes:

1. To insure continuous access to the means of production of v-groove pipe insulation, including access to (a) special purpose equipment partially owned by Mineral Products; (b) trained manufacturing personnel employed by Mineral Products; (c) critical intellectual property (patents) held by Mineral Products; (d) and production facilities which were leased by Mineral Products;
2. To eliminate the possibility of potential competition in the production of v-groove insulation in North America, which is possible under the non-exclusive licensing agreement; and
3. To insure the commitment of key business and technical leaders of Mineral Products to the success of a mutually beneficial enterprise, i.e. Minrock, LLC.

These goals were accomplished by the creation of Minrock, LLC.

15.17.3 The Asbestos Claimants' Committee believes that Rock Wool may have received assets having a lesser value than those received by Mineral Products, when, on August 20, 1993, Rock Wool assigned to Mineral Products its ownership interest in certain patents in exchange for Mineral Products having assigned to Rock Wool its ownership interests in certain machinery and equipment in relation to the contribution made for the purchase of the assets. Mineral Products steadfastly disputes this contention asserted by the Asbestos Claimants' Committee. Recovery of Rock Wool's interest in the patents would require considerable expenditure of time and money by Rock Wool for an uncertain result. Proof sufficient to result in the reversal of the assignment would have required extensive discovery and would have impeded the momentum which then existed toward a consensual plan of reorganization. The Committee therefore, agreed to the suggestion of the consultant, Tontine Key, LLC, that Minrock, LLC be organized. The creation of Minrock, LLC held the promise of not only insuring the continued use of the v-groove patents but of also insuring the use of other, non-disputed assets in the hands of Mineral Products.

15.17.4 New Agreement for Control of Patent. A new agreement was reached among the parties that provides for control of the patent by a newly created company, Minrock, LLC, which is owned in 50/50 partnership by Rock Wool and Mineral Products. This new arrangement protects Rock Wool with the guarantee that it will be able to sell v-groove pipe insulation.

## ARTICLE XVI

### RETENTION OF JURISDICTION

**16.1 Retention of Jurisdiction.** The Bankruptcy Court shall retain and have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

16.1.1 To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Claims resulting therefrom;

16.1.2 To determine any and all pending adversary proceedings, applications, and contested matters;

16.1.3 To ensure that distributions to holders of Allowed Administrative Claims, Allowed Secured Claims, Allowed Priority Tax Claims, Allowed Environmental Claims, Allowed Unsecured Claims (including Asbestos Claims), and Allowed Equity Interests are accomplished as provided herein;

16.1.4 To hear and determine any timely objections to Administrative Claims or to proofs of Claim and Equity Interests filed, both before and after the Confirmation Date, including any objections to the classification of any Claim or Equity Interest, and to allow or disallow any Contested Claim or Equity Interest, in whole or in part;

16.1.5 To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

16.1.6 To issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code including, but not limited to such orders necessary or appropriate to implement the Plan;

16.1.7 To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

16.1.8 To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331, and 503(b) of the Bankruptcy Code incurred prior to the Effective Date;



16.1.9 To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan;

16.1.10 To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Asbestos Trust Agreement;

16.1.11 To hear and determine all matters concerning the recovery of assets of the Debtor and property of the Estate, wherever located;

16.1.12 To hear and determine all Causes of Action which may be filed by the Reorganized Debtor;

16.1.13 To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

16.1.14 To enter a final decree closing the Chapter 11 case;

16.1.15 To hear any other matter not inconsistent with the Bankruptcy Code; and

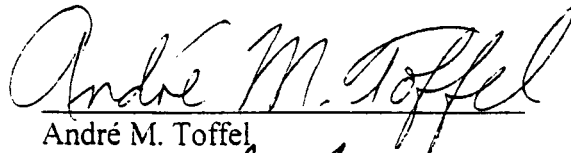
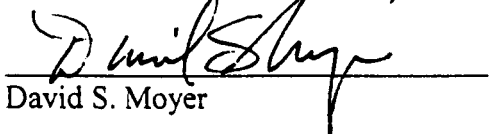
16.1.16 To hear and determine any proceeding of any kind that involves the validity, application, construction, or modification of the Permanent Channeling Injunction issued under 11 U.S.C. Sections 524(g), to the extent that jurisdiction is not conferred upon the District Court.

**16.2 Modification of the Plan.** Modifications of the Plan may be proposed in writing by the Proponent at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Proponent shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after confirmation and before substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modifications. A holder of a Claim or Equity Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected as the case may be, such plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

Dated this 24th day of November, 1999

ROCK WOOL MANUFACTURING COMPANY,  
an Alabama Corporation

By:   
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Its President

  
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