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EXECUTION VERSION

7 June 2016

ASSIGNMENT AGREEMENT

between

THE T&N ASBESTOS TRUSTEE COMPANY LIMITED

And

FEDERAL-MOGUL ASBESTOS PERSONAL INJURY TRUST

THIS AGREEMENT (this “**Agreement**”) is made on 7 June 2016 between the following parties:

- (1) **THE T&N ASBESTOS TRUSTEE COMPANY LIMITED**, a company registered in England & Wales with company number 05548874 and having its registered office at 20 North Audley Street, London, W1K 6WE (the “**UK Asbestos Trustee**”), in its capacity as sole trustee of the UK Asbestos Trust (as defined below); and
- (2) **THE FEDERAL-MOGUL ASBESTOS PERSONAL INJURY TRUST**, a statutory trust organised under the laws of the State of Delaware, United States of America (the “**US Trust**”);

each a “**Party**” and together the “**Parties**”.

WHEREAS

- (A) In 1996, T&N Limited (“**T&N**”) purchased £500 million of insurance to cover asbestos-related disease claims against T&N and its UK incorporated subsidiary companies (the “**Hercules Policy**”).
- (B) On 1 October 2001, Federal-Mogul Corporation, T&N and certain of their corporate affiliates in the United States and the United Kingdom each commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “**US Bankruptcy Code**”) and/or were placed into administration in England.
- (C) Company voluntary arrangements under Part I of the Insolvency Act 1986 (“**CVAs**”) were proposed by the administrators of T&N and 48 of its English corporate affiliates (the “**Companies**”) on 23 June 2006, were approved by creditors on 7 September 2006 and became effective on 11 October 2006.
- (D) Pursuant to Paragraph 19.3 of the CVAs, holders of certain asbestos personal injury claims (CVA Asbestos Claims) against the Companies in the UK and certain other jurisdictions assigned their rights to conduct and receive the proceeds of those claims (and, with respect to claims potentially covered by insurance, certain additional rights) to the UK Asbestos Trustee.
- (E) As provided for in the CVAs and by a trust deed dated 10 October 2006 between T&N, the Companies and the UK Asbestos Trustee (the “**Trust Deed**”), the UK Asbestos Trustee agreed to act as trustee of a trust established for the purpose of paying holders of CVA Asbestos Claims against T&N and its affiliates (the “**UK Asbestos Trust**”).
- (F) The Trust Deed established, and provided for the future establishment of, a number of specific funds to be held and administered by the UK Asbestos Trustee. These funds include, amongst others:
 - (i) the T&N Fund, which was established pursuant to Paragraph 14.1(a) of the CVAs and Clause 2.4.1 of the Trust Deed for holders of CVA Asbestos Claims (other than Chester Street Claims) against T&N following the transfer of £33 million by the administrators of T&N on behalf of T&N to the UK Asbestos Trustee;
 - (ii) the T&N Hercules Fund, which will be established pursuant to Paragraph 14.1(a) of the CVAs and Clause 2.4.1 of the Trust Deed for holders of CVA Asbestos Claims (other than Chester Street Claims) when Hercules Recoveries are received by the UK Asbestos Trustee;
 - (iii) the Chester Street Fund, which was established pursuant to Paragraph 14.1(c) of the CVAs and Clause 2.4.3 of the Trust Deed for holders of Chester Street Claims following the transfer of £22 million by the administrators of T&N on behalf of T&N to the UK Asbestos Trustee; and

- (iv) the Chester Street Hercules Fund, which will be established pursuant to Paragraph 14.1(c) of the CVAs and Clause 2.4.3 of the Trust Deed for holders of Chester Street Claims when Hercules Recoveries are received by the UK Asbestos Trustee.
- (G) On 27 December 2007, the Fourth Amended Joint Plan of Reorganisation (the “**Plan**”) became effective in the chapter 11 cases of Federal-Mogul Corporation, T&N, and certain of their corporate affiliates under the US Bankruptcy Code. The Plan provided for, among other things, the creation and funding of the US Trust.
- (H) Paragraph 19.8.4 of the CVAs and Section 4.5.12(c) of the Plan deal with how funds recovered in respect of the Hercules Policy (Hercules Recoveries) are to be distributed. The UK Asbestos Trustee and the US Trust share the benefit of the Hercules Policy after the payment of certain costs and expenses. Following an order of the English court dated 28 June 2007, net Hercules Recoveries are to be distributed as follows:
 - (i) 6.3% to the US Trust on behalf of Gasket Holdings, Inc. and Ferodo America, Inc.; and
 - (ii) the balance to the US Trust, T&N Hercules Funds and Chester Street Hercules Fund in the following proportions:
 - (A) 88.10% to the US Trust;
 - (B) 7.14% to the T&N Hercules Fund (the UK Asbestos Trust Percentage); and
 - (C) 4.76% to the Chester Street Hercules Fund (the Chester Street Percentage).
- (I) The reversionary interests in the Chester Street Fund and Chester Street Hercules Fund described at Clauses 2.4.3(b) and 4.1.2(c) of the Trust Deed and Paragraph 15.1.3 of the CVAs (the “**Reversionary Interests**”) are stated to be payable to T&N or its affiliates. In 2009, T&N gave notice to the UK Asbestos Trustee that, by a deed of assignment dated 30 March 2009, the Reversionary Interests had been assigned to the US Trust.
- (J) The Parties now wish to vary the UK Asbestos Trust Percentage and the Chester Street Percentage pursuant to the terms set out in this Agreement.
- (K) The US Trust also wishes to assign all of its rights to and interests in the Reversionary Interests to UK Asbestos Trustee as trustee of the T&N Hercules Fund and the Chester Street Hercules Fund in exchange for the UK Asbestos Trustee’s entitlements to net Hercules Recoveries pursuant to the terms set out in this Agreement.
- (L) The UK Asbestos Trustee intends to seek an order of the High Court of England and Wales approving entry by it into this Agreement and permitting it to make certain changes to the Trust Deed and the related Trust Distribution Procedures. The Parties intend that this Agreement will not become effective until the court order has been made and the relevant appeal period has expired.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

Clause 1 (*Definitions and Interpretation*) of the Trust Deed shall apply to this Agreement unless the contrary intention appears in this Agreement.

2 VARIATION OF PERCENTAGES

- 2.1 The US Trust and the UK Asbestos Trustee agree to the variation on and from the Effective Date of the UK Asbestos Trust Percentage to 9.916 % and the Chester Street Percentage to 1.984 %, pursuant to Paragraph 19.10 of the CVAs.
- 2.2 In order to comply with their obligations under Paragraph 19.10 of the CVAs, within 5 days of the Effective Date the Parties will give a joint notice to the Hercules Payment Agents in the form of the notice which appears at Schedule 1 of this Agreement.

3 ASSIGNMENT OF INTERESTS

- 3.1 The US Trust assigns and agrees to assign all of its rights to and interests in the Reversionary Interests to the UK Asbestos Trustee to be held for the benefit of the Chester Street Hercules Fund and the T&N Hercules Fund in such percentages as the UK Asbestos Trustee in its absolute discretion sees fit (save that the Reversionary Interest in the Chester Street Hercules Fund shall be held for the sole benefit of the T&N Hercules Fund) and the UK Asbestos Trustee accepts the assignment of the same.
- 3.2 In consideration for the assignments at Clause 3.1 above, the UK Asbestos Trustee as trustee of the T&N Hercules Fund and the Chester Street Hercules Fund assigns and agrees to assign all of its rights under Paragraph 19.8.4 of the CVAs and Section 4.5.12(c) of the Plan to Hercules Recoveries, as varied pursuant to Clause 2.1 above, to the US Trust and the US Trust accepts the assignment of the same.
- 3.3 The assignments referred to as Clauses 3.1 and 3.2 above shall take effect on the Effective Date.

4 EFFECTIVE DATE

- 4.1 The “**Effective Date**” means the first date following the expiry without any notice of appeal being filed of:

- (a) 21 days; or
- (b) such longer period as the High Court of England and Wales permits, at the time of granting permission to enter into this Agreement, for the filing of notices of appeal,

from the making of an order by the High Court of England and Wales which, to the UK Asbestos Trustee’s satisfaction, gives permission for entry by the UK Asbestos Trustee into this Agreement and permits such amendments to the Trust Deed and the Trust Distribution Procedures as the UK Asbestos Trustee, in its discretion, deems necessary to make in connection with this Agreement.

- 4.2 If a notice of appeal is filed during the periods referred to at Clauses 4.1 (a) and (b) above, the Effective Date will occur only if and when the appeal has been dismissed or resolved in favour of the UK Asbestos Trustee by the Court of Appeal of England and Wales.
- 4.3 If the Effective Date has not occurred on or before 5pm London time on 31 December 2016 (the “**Longstop Date**”), this Agreement shall automatically terminate unless the Parties agree in writing prior to that time that the Longstop Date will be postponed to a future date.

5 NOTICES

Any notice or demand to any Party to this Agreement to be given, made or served for any purposes under this Agreement shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), by fax or by delivering it by hand as follows:

To the UK Asbestos Trustee: The T&N Asbestos Trustee Company Limited
c/o AlixPartners UK LLP
The Zenith Building, 26 Spring Gardens
Manchester M2 1AB
United Kingdom
Fax: +44 (0) 161 838 4501

Attention: Anne O'Keefe

With a copy to:

Weil, Gotshal & Manges
110 Fetter Lane
London EC4A 1AY
Fax: +44 (0) 20 7903 0990

Attention: Mark Lawford

To the US Trust: The Federal-Mogul Asbestos Personal Injury Trust
c/o ARPC, Executive Director
1220 19th Street, NW, Suite 700
Washington, DC 20036
United States of America
Fax: +1 (202) 797 3619

Attention: John Brophy

With a copy to:

Campbell & Levine, LLC
310 Grant Street, Suite 1700
Pittsburgh, Pennsylvania 15219
United States of America
Fax: +1 (412) 261 5066

Attention: Stanley E. Levine

or to such other address as shall have been notified to the other Parties. Any notice or demand shall be deemed to have been given:

- (a) in the case of delivery by post, three days after despatch in the case of inland post or seven days after despatch in the case of overseas post;
- (b) in the case of delivery by hand, when delivered, provided that where delivery occurs after 6.00pm on a Business Day (as defined in the CVAs) or on a day which is not a Business Day, service shall be deemed to occur at 9.00am on the next following Business Day; and
- (c) in the case of fax, at the time of transmission, provided that where transmission occurs after 6.00pm on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9.00am on the next following Business Day.

6 ENTIRE AGREEMENT; AMENDMENTS

- 6.1** This Agreement contains the entire agreement and understanding among the Parties with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter of this Agreement.
- 6.2** This Agreement may not be modified or amended other than by an agreement in writing signed by the Parties.

7 GOVERNING LAW AND JURISDICTION

- 7.1** This Agreement and all matters (including, without limitation, any contractual or non-contractual obligation) arising from or connected with it are governed by, and will be construed in accordance with, English law.
- 7.2** The courts of England and Wales have exclusive jurisdiction in respect of any dispute which may arise in connection with the validity, effect, interpretation or performance of, or the legal relationships established by, this Agreement or otherwise arising in connection with this Agreement.

8 COUNTERPARTS

This Agreement may be signed in any number of counterparts by facsimile or other written form of communication, each of which shall be deemed to be an original as against any Party whose signature appears on it, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts of this Agreement, individually or taken together, shall bear the signatures of all of the Parties reflected in this Agreement as the signatories.

9 THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

SIGNED BY the Parties or their duly authorised representatives on the date appearing on the first page of this Agreement.

SCHEDULE 1

NOTICE OF VARIATION AND ASSIGNMENT

To:

Jeremy Willmont
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Phillip Sykes
RSM Restructuring Advisory LLP
25 Farringdon Street
London EC4A 4AB

[Date]

Dear Sirs

We refer to the company voluntary arrangements under Part I of the Insolvency Act 1986 (“CVAs”) proposed by the administrators of T&N Limited and 48 of its English affiliates which were approved by creditors on 7 September 2006 and became effective on 11 October 2006. Terms not otherwise defined in this letter have the meaning given to them in the CVAs.

This letter is notice under Paragraph 19.10 of the CVAs that by an agreement dated [●] between The Federal-Mogul Asbestos Personal Injury Trust (the “**US Trust**”) and the UK Asbestos Trustee, the UK Asbestos Trust Percentage was varied to 9.916 % and the Chester Street Percentage was varied to 1.984 %.

This letter is also notice that the UK Asbestos Trustee has assigned to the US Trust all of its rights under Paragraph 19.8.4 of the CVAs and Section 4.5.12(c) of the Fourth Amended Joint Plan of Reorganisation of Federal-Mogul Corporation, T&N Limited, and certain of their corporate affiliates (the “**Plan**”) to Hercules Recoveries, and accordingly that the UK Asbestos Trustee is no longer entitled to receive any payments pursuant to Paragraph 19.8.4 of the CVAs or Section 4.5.12(c) of the Plan.

Please would you acknowledge receipt of this notice by signing and returning the acknowledgment set out below?

Yours sincerely

.....
The T&N Asbestos Trustee Company Limited

.....
The Federal-Mogul Asbestos
Personal Injury Trust

ACKNOWLEDGMENT

To:
The T&N Asbestos Trustee Company Limited
The Federal-Mogul Asbestos Personal Injury Trust

We hereby acknowledge that we have received the notice above.

.....
Jeremy Willmont

Dated:

.....
Phillip Sykes

Dated:

SIGNATORIES

Signed by James GLEAVE)
for The T&N Asbestos Trustee Company Limited)
)



Signed by _____)
for The Federal-Mogul Asbestos)
Personal Injury Trust)

SIGNATORIES

Signed by _____)
for The T&N Asbestos Trustee Company Limited)
)

Signed by Kirk Watson,)
for The Federal-Mogul Asbestos *Managing*)
Personal Injury Trust *Trust*)

Kirk Watson