

# THE T&N ASBESTOS TRUSTEE COMPANY LIMITED

Suite 11b  
Manchester International Office Centre  
Styal Road  
Manchester M22 5WB  
0161 838 4559  
Fax: 0161 493 9488

Dear Sir/Madam

11 October 2016

## **Court approval of Agreement with US Asbestos Trust/ Suspension of payments**

You will recall from previous correspondence that earlier this year we reached an agreement with the US Asbestos Trust regarding the Hercules Policy. In brief this agreement exchanges our entitlement to a share of the Hercules Policy for the US Asbestos Trust's entitlement to the surplus in the Chester Street Fund. This agreement was subject to approval by the UK court. The agreement was considered by Chief Master Marsh at a hearing on 28<sup>th</sup> September 2016 and approval was granted. The agreement is now unconditional and will lead to substantially enhanced payments to all T&N UK asbestos claimants. A copy of the court order together with full details of the agreement are available on the T&N Asbestos Trust website, [www.tandnasbestos.org.uk](http://www.tandnasbestos.org.uk).

Under the terms of the Trust Distribution Procedures (TDP), the Trustee is obliged to commission a full actuarial review every five years, even if interim reviews have been conducted in intervening periods. The Trustee had deferred scheduling this review until the arrangement with the US Asbestos Trust had become unconditional. We have now commenced the actuarial review. Our preliminary view is that the current payment percentage will change, primarily as a consequence of the lower than anticipated investment return experienced over the last three years. Accordingly we are obliged to suspend payments until the results of the actuarial review are available. The suspension is in accordance with clauses 3.2, 4.4 and 5.6 of the TDP. The suspension is effective from 11 October 2016 and applies to both first and second payments.

You will be advised of the outcome of the actuarial review, and any amendments to the payment percentages, as soon as possible. In any event the review will be completed by 11 January 2017.

If you any have queries, please do not hesitate to contact Andrea Crichton on 0161 838 4558.

Yours faithfully



James Gleave  
Chairman