

**INSURED CLAIMS QUALIFIED SETTLEMENT FUND TRUST DISTRIBUTION
PROCEDURES**

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The **Insured Claims Qualified Settlement Fund Trust** Distribution Procedures (“TDP”) contained herein provide for the payment and resolution certain claims against Robinson (defined herein) for asbestos-related injury or death which are covered by the Settled Insurance.

SECTION 1 Introduction

1.1 Purpose

This TDP is designed to provide fair, equitable, and proportionally appropriate treatment for all Asbestos PI Trust Claims, given each of their respective expected values in the civil tort system.

1.2 Definitions

“**Asbestos PI Trust Claim**” and “**Claim**” means a claim, excluding any Indirect Claim, for personal injury (including resulting death) arising from asbestos exposures which (a) are attributable to the products or conduct of Robinson Insulation Company and/or Grogan Robinson Lumber Company, and (b) are within the Coverage Period of the Settled Insurance.

“**Asbestos Related Disease (ARD)**” means a medical diagnosis by a qualified physician of asbestos related interstitial and/or pleural disease, or asbestos related cancer, meeting the Presumptive Medical Criteria.

“**Claimant**” means an individual, or a decedent’s personal representative, with an Asbestos PI Trust Claim

“**Claim Level**” means one of the five levels described in Section 3.4 of this TDP.

“**Coverage Criteria**” means the type of exposure necessary to qualify for payment under this TDP based on the Coverage Period of the Settled Insurance.

“**Coverage Period**” means the time period from December 20, 1971 through May 28, 1986.

“**Exceptional Claim Evaluation**” means the process set forth in Section 4, to give the Trustee discretion to provide a higher level of compensation for Extraordinary Claims and Indirect Claims which would be expected to result in a higher claim value against Robinson in the tort system.

“**Exceptional Liquidated Value**” means the value assigned to a Claim the Trustee deems Exceptional under the process described in Section 4 of this TDP before application of the Payment Percentage.

- “Exposure Criteria”** means the minimum proof of exposure to asbestos or asbestos contaminated vermiculite, for which Robinson could have responsible under the tort system, which a Claimant must satisfy to qualify for payment under this TDP.
- “Indirect Claim”** means an indirect or derivative claim for losses, such as claims based on assignment, indemnification, equitable allocation or contribution by a joint tortfeasor, a defendant in a Claimant’s personal injury action, or a liability insurer
- “Initial Evaluation Date”** means the date, 60 days after both (a) the Trust is funded and (b) this TDP has been approved by the Court. It is the date when payments to qualified Claimants who have submitted Claims will be calculated as set forth in Section 5 of this TDP.
- “Liquidated Value”** means the value assigned to Claims under this TDP, prior to application of the Payment Percentage, to establish the amount paid to qualifying Claimants under this TDP.
- “Payment Percentage”** means the portion of a Claim’s Liquidated Value to be paid to a Claimant at the time his or her Claim qualifies, based on the assets of the Trust and the number and values of qualifying Claims, as described in Section 5.4 of this TDP.
- “Presumptive Medical Criteria”** means objective medical criteria consistent with ARD, which the Trustee will use when determining whether a Claimant qualifies for payment under this TDP.
- “Robinson”** means Robinson Insulation Company and Grogan Robinson Lumber Company.
- “Scheduled Liquidated Value”** means the Liquidated Value assigned to a Claim based on Presumptive Medical Criteria and the minimum Exposure Criteria and Coverage Criteria, prior to application of the Payment Percentage.
- “Settled Insurance”** means those funds transferred to the Trust by settling insurer(s) of Robinson in exchange for its complete release from liability for any claims relating in any way to coverage said insurer(s) provided to Robinson as their insured.
- “TDP”** means this Insured Claims Qualified Settlement Fund Trust Distribution Procedures
- “Trust”** means the Insured Claims Settlement Trust, created by Order of the Court dated September 29, 2020.
- “Trustee”** means the individual or entity responsible for handling the assets of the Trust and for administering the Trust including the payment of Claims consistent with this TDP.
- “ZAI”** means Zonolite Attic Insulation.

SECTION 2 **Procedures**

2.1 Claim Liquidation Procedures and Scope

The Trust shall process and liquidate all Claims for personal injury (including resulting death) arising from asbestos exposures which (a) are attributable to the products or conduct of Robinson and (b) are within the Coverage Period of the Settled Insurance. A Claim may not be made by way of Indirect Claim. Asbestos PI Trust Claims shall be processed and paid solely pursuant to the terms of this TDP.

A Liquidated Value shall be assigned to each of Claim Levels I – V set forth below, based on the Claim's qualification under the Exposure Criteria, the Coverage Criteria, and either (a) meeting Presumptive Medical Criteria for the relevant Claim Level, or (b) Exceptional Claim Evaluation. A Claim for Wrongful Death shall not qualify if the decedent's Claim (or survival claim) has previously been paid pursuant to the terms of this TDP.

If the Claim meets the Exposure Criteria, Coverage Criteria, and Presumptive Medical Criteria for a given Claim Level, the Asbestos PI Trust shall accept the claim at either (a) the Scheduled Liquidated Value of that Claim Level, or (b) an Exceptional Liquidated Value reached at the Trustee's discretion, under the Exceptional Claim Evaluation procedures herein.

With the exception of Claims resolved under Exceptional Claim Evaluation, a Claim that has been accepted at Claim Level I, II, III or IV may, at the option of the Claimant, be resubmitted for re-evaluation at higher Claim Level V, provided that (a) the Claimant's disease has progressed to qualify at such higher level, and (b) any Liquidated Value assigned in such re-evaluation shall be reduced by the previously accepted and paid Liquidated Value.

A Claim that is accepted and paid shall constitute a release of the Claimant's Claim against Robinson Insulation Company and Grogan Robinson Lumber Company, and the Claimant shall execute a release of Robinson Insulation Company, Grogan Robinson Lumber Company and the insurers who have funded the Settled Insurance, and dismiss without prejudice the corresponding claims in any pending cause of action..

All unresolved disputes over qualification under Exposure Criteria, Coverage Criteria, Presumptive Medical Criteria, Claim Level and/or Exceptional Liquidated Value shall be resolved, at the option of the Claimant, either (a) by binding arbitration at the expense of the challenging Claimant, which arbitration otherwise follows the procedures and rules of the American Arbitration Association, or (b) by the Claimant withdrawing the Claim.

2.2 Application of the Payment Percentage

After the Liquidated Value of an Asbestos PI Trust Claim has been determined

pursuant to the procedures set forth herein, the Claimant shall ultimately receive a percentage of that value based on the Payment Percentage described in section 5.

SECTION 3

Disease Levels, Scheduled Values, and Medical/Exposure Criteria

3.1 Coverage Criteria, Exposure Criteria and Medical Criteria

In order to qualify for payment under this TDP, a Claimant must meet the Exposure Criteria, Coverage Criteria, and Presumptive Medical Criteria described in this Section.

3.2 Exposure Criteria.

In order to qualify for payment under this TDP, a Claimant must meet one or more of the following, which shall be deemed sufficient basis for liability against Robinson:

- (a) The Claimant lived in Libby for at least 6 months;
- (b) The Claimant lived in a Montana home insulated with ZAI and or in a Montana home with a garden or yard supplemented with ZAI for at least 6 months;
- (c) The Claimant worked for at least 3 months, or resided as a household member for at least 3 months with a worker who worked during the same time period for (i) Robinson Insulation Company at the Great Falls expanding facility, or (ii) a company distributing or using Montana Zonolite consumer products in the location where the worker worked; or
- (d) any exposure to asbestos or asbestos contaminated vermiculite for which Robinson was responsible, which is found, in the Trustee's sole discretion, to be a comparable amount of exposure to (a)-(c) above.

3.3 Coverage Criteria.

In order to qualify for payment under this TDP, at least one month of a period of exposure qualifying under the Exposure Criteria must have occurred during the period December 20, 1971 to May 28, 1986. These dates are subject to modification, as necessary, to account for the addition of Settling Insurance potentially covering claims falling outside this period. In addition, to qualify for payment under this TDP, a Claimant must either (a) have filed an action for asbestos disease against Robinson as of the date of the Court's approval of this TDP, or (b) demonstrate that it has been no more than 3 years since the Claimant was diagnosed with asbestos disease or died of asbestos disease.

3.4 Scheduled Liquidated Values

A qualifying Claim that is not deemed an Exceptional Claim shall be assigned a Scheduled Liquidated Value based on the degree of ARD. There are five (5) Claim Levels I, II, III, IV and V corresponding to the following Scheduled Values:

Level	Scheduled Liquidated Value
I – Unimpaired ARD	2,000

II – Mild to moderate ARD	4,000
III – Other cancer	5,000
IV – Severe Disease (including severe ARD, lung cancer, and ARD death)	8,000
V – Mesothelioma	20,000

3.5 Presumptive Medical Criteria

The following criteria are presumed to be sufficient to meet the Medical Criteria at each Claim Level:

3.5.1 Level I – Unimpaired ARD

The Claimant must have a diagnosis of ARD with pulmonary function measurements which do not meet the criteria for Level II or Level IV.

3.5.2 Level II – mild to moderate ARD

The Claimant must have a diagnosis of ARD, and pulmonary function testing (PFTs) demonstrating:

- (a) total lung capacity (TLC) less than 80% of predicted, or
- (b) forced vital capacity (FVC) less than 80% of predicted, or
- (c) diffusion capacity (DLCO) less than 80% of predicted, and an actual ratio of forced expiratory volume in one second and forced vital capacity (FEV1/FVC (actual)) greater than 65%.

3.5.3 Level III – Other Cancer

The Claimant must have a diagnosis of cancer, other than lung cancer or mesothelioma, attributed to asbestos exposure by a death certificate or qualified physician.

3.5.4 Level IV– Severe Disease (including severe ARD, lung cancer, and ARD death)

The Claimant must have a diagnosis of ARD and at least one of the following:

- (a) PFTs demonstrating TLC less than 65% of predicted, or
- (b) PFTs demonstrating FVC less than 65% of predicted, or
- (c) PFTs demonstrating DLCO less than 65% of predicted, and FEV1/FVC ratio (actual) greater than 65%, or
- (d) lung cancer attributed to asbestos exposure by a qualified physician, or
- (e) death attributed to ARD by a qualified physician.

3.5.5 Level V– Mesothelioma

The Claimant must have a diagnosis of mesothelioma.

SECTION 4

Valuation of Exceptional Claims

4.1 An Extraordinary Claim is a Claim which otherwise meets the Coverage

Criteria, Exposure Criteria, and Presumptive Medical Criteria, and which, in the Trustee's sole discretion, is determined to warrant exceptional treatment by reason of liability and causation factors which would be expected to result in substantially higher claim settlement value in the tort claim system than a typical claim qualifying under the Exposure Criteria of this TDP. For example, a Claim submitted by a Claimant with an unusual and extraordinarily high exposure to vermiculite containing asbestos, at least 75% of which is demonstrated to have been vermiculite handled or processed by Robinson, may qualify as an Exceptional Claim.

4.2 Claimants meeting all of the qualifications under this TDP and found to have "Extraordinary Claims" shall be assigned an Exceptional Liquidated Value equal to the Scheduled Liquidated Value multiplied by an Exceptional Claim Factor up to a multiple of eight (8). The Exceptional Claim Factor shall be any number between above one (1) up to a maximum of eight (8) which, in the Trustee's judgment, proportionally reflects the Exceptional Claim's higher claim settlement value in the tort claim system as compared to a typical Claim qualifying under the Criteria of this TDP.

SECTION 5

Payment of Claims

5.1 The first payment of Claims shall be made on all qualified Claims that have been presented as of the Initial Evaluation Date. Claims shall be resolved thereafter on a first-in, first-out basis.

5.2 Claimants meeting all of the qualifications under this TDP are entitled to the Scheduled Liquidated Value or the Exceptional Liquidated Value multiplied by the Payment Percentage.

5.3 No distribution shall be made to a Claimant until Claimant has provided Trustee with the following items:

(a) the claimant has executed a "General Release" in the form attached hereto of claims against Robinson and the insurers who paid the Settled Insurance, and

(b) any Medicare or Medicare lien or Medicare secondary payer right has been resolved and paid by the Trustee from the Claimant's entitlement. The Claimant shall be obligated to provide all information which establishes the amount of any lien on any amount that is otherwise distributable to a Claimant (including liens related to or arising from Medicare, Medicaid, or any Medicare secondary payment), and for any such liens which have been released or waived, the Claimant is responsible for providing all documentation and evidence thereof. The Trustee shall not have any duty or obligation to independently identify, confirm, contest, or otherwise take any action with respect to any such lien, including without limitation any action which may be necessary to determine the amount of any lien, or in

connection with establishing either the validity or enforceability of any such lien.

5.4 In cases of death caused by ARD, the Personal Representative shall execute releases for each of the respective claims of the estate (General Release) and the wrongful death beneficiaries (Wrongful Death Release), and each shall be entitled to payment as follows:

(a) 60 percent of the Liquidated Value shall be separately paid in exchange for the estate's release of the survival claim; and

(b) 40 percent of the Liquidated Value shall be separately paid to the heirs with wrongful death claims in exchange for those wrongful death beneficiaries' distinct release of the distinct wrongful death claim.

The Trustee may make payment of the amount payable to a decedent's estate upon presentation of an Affidavit which complies with §72-3-1101, Montana Code Annotated, or any other similar type statute under the laws of the state where the decedent resided at the time of his or her death.

5.5 Payments shall continue be made on Claims until such time as the trust corpus has fallen below \$200,000, at which time the Trustee shall establish a Final Distribution date. The balance of the trust corpus on that date, less administrative costs of winding up the Trust, shall be distributed to Claimants who have presented qualifying Claims through that date, and such distributions shall be in proportion to the actual payments made.

5.6 The initial Payment Percentage shall be a percentage rate established, in the Trustee's sole discretion and judgment, following the Initial Evaluation Date. The initial Payment Percentage shall be calculated (a) to allow for sufficient funds to pay estimated Claim amounts and projected Re-evaluation Claims over a future period of up to 5 years, and (b) to not unreasonably diminish present payment on Claims that have been presented as of the Initial Evaluation Date (e.g. by reason of overly conservative projections). The Trustee may seek information regarding actuarial assumptions from any Claimant's counsel. However, Claimants' Counsel and the Trustee shall not be liable for any good faith errors in such information or for the Trustee's use of the information. In establishing the initial Payment Percentage, the Trustee may assume that the number of Claims presented as of the Initial Evaluation Date constitute 85% of the total Claims that will be presented. Thereafter, the Payment Percentage may be adjusted up or down by the Trustee as it may appear necessary, from claim resolution experience, to preserve a trust corpus balance until at least September 1, 2025. In no event will an adjustment of the Payment Percentage be applied retroactively to Claims that previously have been paid by the Trust.

SECTION 6

Proof of Claim, Certification and Documentation

6.1 Satisfaction of the Exposure Criteria and Coverage Criteria shall be deemed accomplished by completion of the attached Claim Form if it is signed by a Claimant or the Claimant's attorney with a certification that each such criteria is met and the executed Claim Form has been provided to the Trustee.

6.2 Satisfaction of the Presumptive Medical Criteria may be accomplished by completion of the attached Claim Form if:

- (a) it is signed by a Claimant or the Claimant's attorney with a certification that the Presumptive Medical Criteria is met,
- (b) it is accompanied by medical record(s) establishing that the Claimant has been diagnosed with ARD,
and
- (c.1) for claims for death, mesothelioma, lung cancer or other cancers, it is accompanied by a medical record or death certificate establishing that the death, mesothelioma or cancer was attributable to asbestos exposure,
or
- (c.2) for claims for non-cancerous ARD, it is accompanied by a pulmonary function test meeting Disease Level I, II or IV.

6.3 For Claimants seeking Exceptional Claim Valuation, the Claimant shall submit, in addition to a claim form qualifying under 6.1 and 6.2, evidence the Claimant contends demonstrate an exceptional amount of asbestos exposure for which Robinson is responsible that, together with liability factors, warrants tort value proportionally greater than typical Libby resident exposure or household exposures to ZAI because such evidence would be expected to result in substantially higher claim settlement value in the tort claim system than a typical claim qualifying under the Exposure Criteria of this TDP.

6.4 The Trustee has no duty or obligation to conduct an independent investigation of, or to otherwise obtain any outside confirmation regarding the correctness or accurateness of the information set forth in the Claim Form, as well as in the supporting documentation provided therewith, and the Trustee shall be entitled to make distributions to each Claimant pursuant to these Trust Distribution Procedures in full reliance upon such information that is provided to the Trustee by the Claimant and Claimant's legal counsel. In this regard, the Trustee can conclusively rely upon all information, statements and representations which are made to the Trustee through the Claim Form, the supporting documentation provided therewith, and in any and all emails, correspondence and other statements and information made or provided to Trustee by the Claimant or their legal counsel.

SECTION 7

Trustee Duties and Compensation

7.1 The Trustee's duties shall be:

- (a) performing all tasks described in this TDP;
- (b) maintaining necessary bank accounts and records of all distributions, expenses, payments, and calculations;
- (c) securing or performing professional accounting services as needed and making all tax filings required under state and federal law.

7.2 The Trustee shall be compensated at the rate approved by the Asbestos Claims Court.

7.3 The Trustee shall make available for inspection by any Qualifying Claimant a semi-annual report of (a) all Trust Distribution payments, (b) Payment Percentage calculations, (c) Trustee compensation payments, (d) trust administrative expenses, and (e) any other payment made by, or expense incurred by, the Trust. Upon good cause shown, a Qualifying Claimant may move the Receivership Court for the replacement of the Trustee.

7.4 The Trustee shall not be liable for any good faith error in the setting of the Payment Percentage, or any other exercise of the judgment or discretion described in this TDP, and the Trustee shall be indemnified and held harmless by the Trust in accordance with that which is provided for in Section 10 of the Qualified Settlement Fund Trust which has been approved and authorized by the Asbestos Claims Court.

7.5 The Trustee shall have the authority and discretion to address and resolve any matters not specifically addressed by these TDPs, as well as unforeseen issues or complications, regarding the administration of the Trust in a manner consistent with the interests of the Asbestos PI Trust Claimants, the terms of the Insured Claims Qualified Settlement Fund Trust, and the terms of agreements made by Robinson's Receiver to secure Settled Insurance.