

EXHIBIT "A"

EXHIBIT 1

GLOSSARY OF TERMS FOR THE PLAN DOCUMENTS

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3 Unless the context requires otherwise, the following terms shall have the following
4 meanings when used with the initial letter capitalized. Such meanings shall be equally applicable
5 to both the singular and plural forms of such terms. Any term used in capitalized form that is not
6 defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the
7 meaning ascribed to such term by the Bankruptcy Code or the Bankruptcy Rules (with the
8 Bankruptcy Code controlling in the case of a conflict or ambiguity). The rules of construction set
9 forth in section 102 of the Bankruptcy Code shall apply in construction of the Plan Documents.
10 All references to the "Plan" herein shall be construed, where applicable, to include references to
11 the Plan and all its exhibits, appendices, schedules, and annexes (and any amendments thereto
12 made in accordance with the Bankruptcy Code).

13 1. "Administrative Claim" means any claim for the payment of an
14 Administrative Expense entitled to priority under section 507(a)(1) of the Bankruptcy Code.

15 2. "Administrative Fund" has the meaning given to such term in
16 Section 2.2(b)(1)(B)(iv) of the Disclosure Statement.

17 3. "Administrative Expense" means (a) any cost or expense of administration
18 of the Reorganization Case under section 503(b) of the Bankruptcy Code including, but not
19 limited to: (i) any actual and necessary postpetition cost or expense of preserving the Estate or
20 operating the business of a Debtor, (ii) any payment to be made under the Plan to cure a default on
21 an assumed executory contract or unexpired lease, (iii) any postpetition cost, indebtedness or
22 contractual obligation duly and validly incurred or assumed by a Debtor in the ordinary course of
23 business, and (iv) compensation or reimbursement of expenses of professionals to the extent
24 allowed by the Bankruptcy Court under sections 330(a) or 331 of the Bankruptcy Code, and (b)
25 any fee or charge assessed against an Estate under 28 U.S.C. section 1930.

26 4. "Affiliate" shall have the meaning ascribed to such term in section 101(2) of
27 the Bankruptcy Code, provided that "Affiliates," whenever used herein in connection with the
28 USF&G Parties, shall mean any corporate entity that directly or indirectly owns or controls, is

1 owned or controlled by, or is under common ownership or control with, another of the USF&G
2 Parties or their subsidiaries, it being further provided that under no circumstances will this
3 definition or any reference to any "assigns," "successors," "parent" or "subsidiaries" of the
4 USF&G Parties permit any of the Debtors' Other Insurers to obtain rights under the Plan and
5 provided further that the terms "affiliate," "assign" and "successor" does not include any
6 shareholder to the extent such shareholder (including by way of illustration, any of the Debtors'
7 Other Insurers) may be independently liable to any of the Asbestos Related Claimants, the Debtors
8 or the Trust.

9 5. "Agent" or "Agents" means, to the extent applicable and as the context so
10 requires, the officers, directors, employees, stockholders, partners, members, attorneys,
11 accountants, financial advisors, experts, professionals, agents and representatives of any Person or
12 Entity.

13 6. "Aggregate Asbestos Related Claims" means the aggregate dollar sum of
14 Asbestos Related Claims and Demands determined by the Bankruptcy Court to constitute the
15 aggregate damages caused by bodily injury or personal injury to present and future Asbestos
16 Related Claimants for which the Debtors are legally liable.

17 7. "Allowed Amount" means the amount in which a Claim is allowed.

18 8. "Allowed Asbestos Related Claim" means, with respect to any Asbestos
19 Related Claim, any Asbestos Related Claim that is liquidated and allowed pursuant to the TDP.

20 9. "Approving Entities" means the Futures Representative and the TAC.

21 10. "Arbitration Rules" means those rules established by the Trust, with the
22 consent of the Approving Entities, for resolving, by binding and non-binding arbitration, disputes
23 as set forth in Section 5.9 of the TDP.

24 11. "Argonaut" has the meaning given to such term in Section 2.2(b)(3) of the
25 Disclosure Statement.

26 12. "Asbestos Claimants Committee" has the meaning given to such term in
27 Section 3.2 of the Disclosure Statement.

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1 13. "Asbestos Expenses" means all costs, taxes and expenses of or imposed on
2 the Trust, attributable or allocable to Asbestos Related Claims or Indirect Asbestos Related
3 Claims, including, but not limited to: trustee compensation; employee compensation;
4 compensation to the Futures Representative and his Agents; compensation to the TAC and its
5 Agents; insurance premiums; legal, accounting and other professional fees and expenses;
6 overhead; and disbursements and expenses relating to the implementation of the TDP, but
7 excluding payments to holders of Asbestos Related Claims on account of such Claims or
8 reimbursements of such payments.

9 14. "Asbestos In-Place Insurance Coverage" means any insurance coverage not
10 reduced to Cash settlement proceeds, and available for the payment or reimbursement of liability,
11 indemnity or defense costs arising from or related to Asbestos Related Claims or Trust Expenses
12 under any Asbestos Insurance Policy or any Asbestos Insurance Settlement Agreement.

13 15. "Asbestos Insurance Action" means any claim, cause of action, or right of a
14 Debtor against any Asbestos Insurance Company, including, without limitation, the Coverage
15 Litigation, arising from or related to: (a) any such Asbestos Insurance Company's failure to
16 provide or pay under Asbestos In-Place Insurance Coverage, (b) the refusal of any Asbestos
17 Insurance Company to compromise and settle any Asbestos Related Claim under or pursuant to
18 any Asbestos Insurance Policy, or (c) the interpretation or enforcement of the terms of any
19 Asbestos Insurance Policy with respect to any Asbestos Related Claim, but shall not include any
20 such claim, cause of action, or right of any Debtor or any person claiming under or through any
21 Debtor against a Released Party. Notwithstanding any provision to the contrary contained in the
22 Plan, an "Asbestos Insurance Action" shall not include any coverage for Claims covering damages
23 to property caused by asbestos-containing products, the removal of such products or other
24 abatement.

25 16. "Asbestos Insurance Action Recoveries" means (a) certain Cash derived
26 from and paid pursuant to Asbestos Insurance Settlement Agreements entered into prior to the
27 Confirmation Hearing, (b) the right to receive proceeds of Asbestos In-Place Insurance Coverage,
28 and (c) the right to receive the proceeds or benefits of any Asbestos Insurance Action.

1 17. "Asbestos Insurance Company" means any insurance company, insurance
2 broker, guaranty association or any other Entity with demonstrated or potential liability to a
3 Debtor or the Trust under an Asbestos Insurance Policy.

4 18. "Asbestos Insurance Company Injunction" means the injunction described
5 in Section 9.3(c) of the Plan.

6 19. "Asbestos Insurance Policy" means any insurance policy in effect at any
7 time on or before the Effective Date which may afford a Debtor insurance coverage thereunder,
8 whether in the form of insurance coverage for defense costs, liability payments, or both, upon
9 which any claim has been or may be made with respect to any Asbestos Related Claim, but
10 excluding any coverage for Claims covering damages to property caused by asbestos-containing
11 products, the removal of such products or other abatement.

12 20. "Asbestos Insurance Settlement Agreement" means any settlement
13 agreement with a Settling Asbestos Insurance Company relating to any Asbestos Related Claim,
14 including the USF&G Settlement.

15 21. "Asbestos Plaintiffs' Attorneys" has the meaning given to such term in
16 Section 2.2(b)(1)(B) of the Disclosure Statement.

17 22. "Asbestos Related Claimant" means the holder of an Asbestos Related
18 Claim or Demand.

19 23. "Asbestos Related Claim" means any Claim Relating To Personal Injury
20 Caused By Asbestos and any Indirect Asbestos Related Claim. Notwithstanding the foregoing, in
21 no event shall "Asbestos Related Claim" include any claim for workers' compensation under any
22 state or federal law. For purposes of this definition:

23 "Claim" includes (a) all manner and type of claim, demand, Demand
24 or lawsuit against any Asbestos Debtor, whenever and wherever
25 such claims, demands, Demands or lawsuits may arise or be asserted
26 or could have been brought;

27 (b) any debt, obligation or liability of any Asbestos Debtor,
28 whether or not reduced to judgment, liquidated, unliquidated, fixed,

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contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured or unsecured;

(c) all those described in (a) or (b) above, for which an Asbestos Debtor may be otherwise liable under any applicable law including, but not limited to, those Relating To any such Asbestos Debtor's conduct in the management, negotiation, litigation, settlement or disposition of any claim, demand, Demand or lawsuit described in (a) and (b) above; and

(d) any claims for which an Asbestos Debtor may be liable for contribution, indemnity or otherwise arising out of asbestos;

and in relation to each of the foregoing includes, but is not limited to, (x) all those in the nature of or sounding in tort, contract, warranty, bad faith, competition law, unfair or deceptive practices law, conspiracy, statute or any other body, theory or principle of law, equity or admiralty whatsoever, whenever, and wherever arising or asserted, and (y) all those for compensatory damages, loss of consortium, proximate, consequential, general, special damages or Non-Compensatory Damages, reimbursement, indemnity, warranty, contribution or subrogation.

"Asbestos Debtors" means the Debtors, their predecessors, successors, subsidiaries or Affiliates, or their respective present or former officers, directors or employees.

"Relating To" means for, relating to, or arising by reason of, directly or indirectly.

"Personal Injury" means physical, emotional, bodily or other personal injury, sickness, disease, death, whether or not diagnosable or manifested before the Confirmation Date or the close of the Reorganization Cases.

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"Caused By Asbestos" means caused or allegedly caused, in whole or in part, directly or indirectly, by (a) asbestos or asbestos-containing products, including without limitation, the fabrication or mining of, sale of, installation of, removal of, destruction of, exposure to, presence of, or alleged failure to warn about asbestos, asbestos-containing products, asbestos fibers, asbestos dust, or any operation in which such asbestos, asbestos fibers, asbestos dust or asbestos-containing products may have been used; or (b) services, actions or operations, including services, actions or operations provided, completed or taken by a Debtor in connection with asbestos or any asbestos-containing product.

24. "Asbestos-Related Disease Categories" means those groups of common asbestos-related medical conditions, based upon historic data, that have been incorporated into the TDP to facilitate the expedient and efficient processing and liquidation of Asbestos Related Claims.

25. "Average Values" has the meaning given to such term in Section 2.1 of the TDP.

26. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, as amended from time to time.

27. "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of California, or, as the law requires or the circumstances or context makes appropriate, the District Court.

28. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as in effect on the Petition Date, together with all amendments and modifications, to the extent made applicable to the Reorganization Case.

29. "Baron & Budd" shall have the meaning given to such term in Section 2.1 of the Disclosure Statement.

30. "Brobeck" means the law firm of Brobeck, Phleger & Harrison LLP.

- 1 31. "Business Day" means any day other than a Saturday, Sunday or legal
2 holiday (as such term is defined in Bankruptcy Rule 9006(a)).
- 3 32. "California Liquidated Judgments" has the meaning given to such term in
4 Section 5.4 of the TDP.
- 5 33. "Case Valuation Matrix" means the document attached as Appendix I to
6 Exhibit 2 to the Plan.
- 7 34. "Cash" means lawful currency of the United States of America and the
8 equivalents of that currency.
- 9 35. "Category A" has the meaning given to such term in Section 2.5 of the TDP.
- 10 36. "Category B" has the meaning given to such term in Section 2.5 of the TDP.
- 11 37. "Channeling Injunction" means the injunction described in Section 9.3(a) of
12 the Plan.
- 13 38. "Claim" shall have the meaning ascribed to such term in section 101(5) of
14 the Bankruptcy Code.
- 15 39. "Claimant Escrow" shall have the meaning given to such term in
16 Section 2.2(b)(1)(B)(ii) of the Disclosure Statement.
- 17 40. "Claimants Represented by Baron & Budd" shall have the meaning given to
18 such term in Section 2.1 of the Disclosure Statement
- 19 41. "Claims Materials" has the meaning given to such term in Section 6.1 of the
20 TDP.
- 21 42. "Class" means a category of Claims or Interests, as classified in Article 2 of
22 the Plan.
- 23 43. "Committee" means the Pre-Petition Committee created prior to the Petition
24 Date and, where the context requires, the Asbestos Claimants Committee appointed in the
25 Reorganization Cases by the United States Trustee.
- 26 44. "Company Categories" has the meaning given to such term in Section 2.5 of
27 the TDP.
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- 1 45. "Compensable Diseases" has the meaning given to such term in Section 2.1
2 of the TDP.
- 3 46. "Confirmation" or "Confirmation of the Plan" means the approval of the
4 Plan by the Bankruptcy Court at the Confirmation Hearing.
- 5 47. "Confirmation Date" means the date on which the Confirmation Order is
6 entered on the docket of the Bankruptcy Court.
- 7 48. "Confirmation Hearing" means the hearing or hearings that will be held
8 before the Bankruptcy Court in which the Debtor will seek Confirmation of the Plan.
- 9 49. "Confirmation Order" means the order of the Bankruptcy Court confirming
10 the Plan under section 1129 and other applicable sections of the Bankruptcy Code.
- 11 50. "Coverage Litigation" means those certain civil actions currently styled (a)
12 *Western MacArthur Company and Mac Arthur Company v. United States Fidelity & Guaranty*
13 *Co., The St. Paul Companies, Inc., St. Paul Fire & Marine Insurance Company, Argonaut*
14 *Insurance Company, No. 721595-7, pending in the Superior Court of the State of California,*
15 *County of Alameda, and (b) Mac Arthur Company, Western MacArthur Company v. The Home*
16 *Insurance Company, The Hartford Insurance Company, Case No. 00-CV-5940, pending in the*
17 *United States District Court, Eastern District of New York, and (c) Lila Mitchell, Julian Brady,*
18 *Paul Westbrook, Joseph Dillon Soares, Thomas Jenner Dillon, Western MacArthur Company,*
19 *MacArthur Company and Western Asbestos Company v. Argonaut Insurance Company, The Home*
20 *Insurance Company, The Hartford Accident & Indemnity Company, Case No. 2002067900,*
21 *pending in the Superior Court of the State of California, County of Alameda, in which the*
22 *plaintiffs seek to determine the extent of insurance coverage for defense of and indemnity of*
23 *Asbestos Related Claims, and related issues.*
- 24 51. "Debtors" means Western MacArthur, Western Asbestos and Mac Arthur
25 and "Debtor" means any one of them and, after the Effective Date, means each such entity as
26 reorganized and revested.
- 27 52. "Deferred Liquidated Value" has the meaning given to such term in Section
28 5.4 of the TDP.

1 53. "Demand" means a demand for payment, present or future, that (a) was not
2 a Claim during the Reorganization Case, (b) arises out of the same or similar conduct or events
3 that gave rise to any Asbestos Related Claim and (c) under the provisions of the Plan is to be
4 resolved by the Trust.

5 54. "Direct Action" means any cause of action or right to bring a cause of action
6 possessed by an Asbestos Claimant against an Asbestos Insurance Company on account of such
7 Asbestos Related Claimant's Asbestos Related Claim, whether arising by contract or under the
8 laws of any jurisdiction.

9 55. "Discharge Injunction" means the injunction described in Section 9.2 of the
10 Plan.

11 56. "Disclosure Statement" means the Disclosure Statement with Respect to the
12 Plan of Reorganization, dated November 22, 2002, including all exhibits, appendices, schedules
13 and annexes attached thereto, as submitted by the Plan Proponents under section 1125 of the
14 Bankruptcy Code and approved by the Bankruptcy Court, as such Disclosure Statement may be
15 amended, supplemented or modified from time to time.

16 57. "Disease Categories" has the meaning given to such term in Section 2.5 of
17 the TDP.

18 58. "District Court" means the United States District Court for the Northern
19 District of California, or the unit thereof having jurisdiction over the matter in question.

20 59. "Effective Date" means, a Business Day determined by the Debtors after all
21 of the conditions to the effectiveness of the Plan, as set forth in Section 7.2 of the Plan, have been
22 performed or waived in the manner specified in Section 7.2.

23 60. "Entity" means any Person, estate, trust, Governmental Unit, or the United
24 States Trustee.

25 61. "EPS" has the meaning given to such term in Section 4.5 of the Disclosure
26 Statement.

27 62. "ERISA" shall mean the Employee Retirement Income Security Act of
28 1974, as amended, 29 U.S.C. §§ 1301-1461.

- 1 63. "Escrow Payments" has the meaning given to such term in Section 5.4 of
2 the TDP.
- 3 64. "Estate" means the bankruptcy estate created for a Debtor by section 541 of
4 the Bankruptcy Code upon the commencement of its Reorganization Case.
- 5 65. "Expense and Fee Escrow" has the meaning given to such term in
6 Section 2.2(b)(1)(B)(iii) of the Disclosure Statement.
- 7 66. "FIFO" has the meaning given to such term in Section 2.1 of the TDP.
- 8 67. "FIFO Payment Queue" has the meaning given to such term in Section
9 5.3(c) of the TDP.
- 10 68. "FIFO Processing Queue" has the meaning given to such term in Section
11 5.3(a)(i) of the TDP.
- 12 69. "Final Order" means an order or judgment, the implementation, operation or
13 effect of which has not been stayed and as to which order or judgment (or any revision,
14 modification or amendment thereof) the time to appeal or seek review, rehearing or writ of
15 certiorari has expired and as to which no appeal or petition for review, reconsideration, rehearing
16 or certiorari has been taken and is pending.
- 17 70. "F&R" means the law firm of Faricy & Roen, P.A.
- 18 71. "Future Asbestos Claimants" means all Entities who, after the Confirmation
19 Date, may in the future assert Demands, other than Indirect Asbestos Related Claims.
- 20 72. "Futures Representative" means the legal representative for Future Asbestos
21 Claimants, who shall be the Honorable Charles B. Renfrew, or such other individual appointed by
22 the Bankruptcy Court, pursuant to section 524(g) of the Bankruptcy Code, for the purpose of
23 protecting the rights of Persons that might assert Demands of the kind described as Asbestos
24 Related Claims to be paid by the Trust subsequent to the Confirmation of the Plan.
- 25 73. "General Accident" has the meaning given to such term in Section 2.2(b)(2)
26 of the Disclosure Statement.
- 27 74. "General Accident Settlement" shall have the meaning ascribed to it in
28 Section 8.11 of the Plan.

1 75. "Glossary" means this Glossary of Terms for the Plan Documents,
2 substantially in the form attached as Exhibit 1 to the Plan, as it may be modified from time to time.

3 76. "Governmental Unit" means any domestic, foreign, provincial, federal,
4 state, local or municipal (a) government or (b) governmental agency, commission, department,
5 bureau, ministry or other governmental entity.

6 77. "Hartford" has the meaning given to such term in Section 2.1 of the
7 Disclosure Statement.

8 78. "Home" has the meaning given to such term in Section 2.1 of the Disclosure
9 Statement.

10 79. "Home and Hartford Litigation" has the meaning given to such term in
11 Section 2.2(b)(4) of the Disclosure Statement.

12 80. "I" has the meaning given to such term in Section V.a of the Case Valuation
13 Matrix.

14 81. "II" has the meaning given to such term in Section VI.a of the Case
15 Valuation Matrix.

16 82. "Indirect Asbestos Related Claim" means any claim, Claim, demand or
17 Demand based on, related to or arising out of an Asbestos Related Claim (but not including any
18 Claim itself based on, related to or arising out of an Indirect Asbestos Related Claim), based on,
19 relating to or arising out of:

20 (a) a right of contribution, reimbursement, subrogation, indemnity or verile
21 share (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction); or

22 (b) any other derivative or indirect Claim of any kind whatsoever, including,
23 but not limited to, all thereof in the nature of or sounding in contract, tort, warranty, bad faith,
24 competition law, unfair or deceptive practices law, conspiracy, statute or any other body, theory or
25 principle of law, equity or admiralty whatsoever including, but not limited to, any actual or alleged
26 bad faith, fraud, unfair competition, breach of contract, breach of the duty of good faith and fair
27 dealing, violation of insurance statute or regulation or extra-contractual liability of any kind, type
28 or description in connection with any of the above and including, without limitation, any claim

- 1 that arises under or from the laws, whether statutory, common or otherwise, of one or more of the
 2 50 states or any other jurisdiction including, without limitation, any Claim (1) for attorneys' fees
 3 arising from or incurred in connection with any Asbestos Related Claim (other than claims of the
 4 Debtors' or the Trust's attorneys), or (2) arising out of the Policies and any agreements related
 5 thereto.
- 6 83. "Indirect Claimant" has the meaning given to such term in Section 5.6 of the
 7 TDP.
- 8 84. "Initial Claims Filing Date" has the meaning given to such term in Section
 9 5.3(a)(i) of the TDP.
- 10 85. "Initial Payment Percentage" has the meaning given to such term in Section
 11 2.3 of the TDP.
- 12 86. "Injunctions" means the Discharge Injunction, the Channeling Injunction,
 13 the Supplemental Injunction and the Asbestos Insurance Company Injunction.
- 14 87. "Interest" means any equity interest in a Debtor represented by common
 15 stock of the Debtor existing on the Petition Date.
- 16 88. "IRC" means the Internal Revenue Code of 1986, as amended.
- 17 89. "Johns-Manville" has the meaning given to such term in Section 1.1 of the
 18 Disclosure Statement.
- 19 90. "Johns-Manville Trust" has the meaning given to such term in Section
 20 2.2(a) of the Disclosure Statement.
- 21 91. "Judgment Escrow" has the meaning given to such term in
 22 Section 2.2(b)(1)(B)(i) of the Disclosure Statement.
- 23 92. "LC" has the meaning given to such term in Section III.a of the Case
 24 Valuation Matrix.
- 25 93. "Lien" means, with respect to any asset or property, any mortgage, lien,
 26 pledge, charge, security interest, encumbrance or other security device of any kind pertaining to or
 27 affecting such asset or property.
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- 1 94. "Liquidated Judgments" has the meaning given to such term in Section 5.4
2 of the TDP.
- 3 95. "M" has the meaning given to such term in Section II.a of the Case
4 Valuation Matrix.
- 5 96. "Mac Arthur" has the meaning given to such term in the first paragraph of
6 the preamble to the Plan.
- 7 97. "Mac Arthur Business Loss Insurance Security" means collectively, the
8 securities to be issued and delivered on the Effective Date by each Debtor to the Trust, in a form
9 reasonably acceptable to the Committee, the Futures Representative and Mac Arthur and filed with
10 the Court at least two weeks before the Confirmation Date, which entitles the Trust to receive 80
11 percent of any and all recoveries by the Debtors for any lost business opportunities, interruption of
12 their businesses or other cost, loss or damage to their businesses and any punitive damages based
13 on or related to such costs, losses or damages, against any of the Other Insurers, until such
14 payments to the Trust equal \$4 million, and thereafter the Trust shall be entitled to receive 100
15 percent of all such recoveries, as more particularly described in Section 1.3 of the Disclosure
16 Statement.
- 17 98. "Mac Arthur Fund" has the meaning given to such term in Section 2.2(a) of
18 the Disclosure Statement.
- 19 99. "Mac Arthur General Insurance Security" means collectively, the securities
20 to be issued and delivered on the Effective Date by each Debtor to the Trust, in a form reasonably
21 acceptable to the Committee, the Futures Representative and Mac Arthur and filed with the Court
22 at least two weeks before the Confirmation Date, which entitles the Trust to receive all of the
23 Debtors' rights, claims and recoveries against the Other Insurers, except for those rights, claims
24 and recoveries covered by the Mac Arthur Business Loss Insurance Security, as more particularly
25 described in Section 1.3 of the Disclosure Statement.
- 26 100. "Mac Arthur Note" means a full-recourse, negotiable promissory note
27 executed and delivered on the Effective Date by Mac Arthur to the Trust, in the principal amount
28 of \$500,000.00, accruing interest at the prime rate published in the *Wall Street Journal* (changing

1 as it changes therein), with all accrued interest plus \$100,000.00 of principal due and payable on
2 each anniversary of the Effective Date, until the Mac Arthur Note is paid in full, and with payment
3 secured by a first-priority, perfected security interest in 51 percent of all of the common stock
4 issued by Mac Arthur pursuant to the Mac Arthur Pledge Agreement.

5 101. "Mac Arthur Pledge Agreement" means the pledge agreement, in form
6 reasonably acceptable to the Committee, the Futures Representative and the shareholders of Mac
7 Arthur and filed with the Court at least two weeks before the Confirmation Date, pursuant to
8 which certain holders of the common stock of Mac Arthur shall pledge to the Trust a first priority,
9 perfected security interest in not less than 51 percent of all of the common stock issued by Mac
10 Arthur as security for the payment and performance of all of the obligations of Mac Arthur to the
11 Trust under the Mac Arthur Note, and which will contain a provision whereby the controlling 51%
12 interest in Mac Arthur must be deposited into escrow for delivery to the Trust in satisfaction of the
13 Mac Arthur Note upon the failure by Mac Arthur to cure in a timely fashion any defaults under the
14 Mac Arthur Note.

15 102. "MAC Ratio" has the meaning given to such term in Section 2.5 of the
16 TDP.

17 103. "Managing Trustee" means the Trustee elected pursuant to the unanimous
18 vote of the Trustees, who shall perform the primary administrative duties of the Trustees pursuant
19 to the terms of the Trust Agreement.

20 104. "Matrix" means the Case Valuation Matrix.

21 105. "Matrix Values" has the meaning given to such term in Section 2.1 of the
22 TDP.

23 106. "Maximum Annual Payment" has the meaning given to such term in
24 Section 2.4 of the TDP.

25 107. "Maximum Values" has the meaning given to such term in Section 2.1 of
26 the TDP.

27 108. "Medical/Exposure Criteria" has the meaning given to such term in Section
28 2.1 of the TDP.

- 1 109. "Minnesota Liquidated Judgments" has the meaning given to such term in
2 Section 5.4 of the TDP.
- 3 110. "Moody's" means Moody's Investors Services, Inc.
- 4 111. "Morgan Lewis" means the law firm of Morgan, Lewis & Bockius LLP.
- 5 112. "MS&R" means the law firm of Miller, Starr & Regalia.
- 6 113. "New Credit Agreement" has the meaning given to such term in Section 4.6
7 of the Disclosure Statement.
- 8 114. "Non-Compensatory Damages" means any and all damages awarded by a
9 court of competent jurisdiction that are penal in nature, including, without limitation, punitive,
10 punitive, exemplary, vindictive, imaginary or presumptive damages.
- 11 115. "Notice Recipients" means the Debtors, the Trust, the Futures
12 Representative and the TAC.
- 13 116. "OCA" has the meaning given to such term in Section IV.a of the Case
14 Valuation Matrix.
- 15 117. "Old Credit Agreement" has the meaning given to such term in Section 4.6
16 of the Disclosure Statement.
- 17 118. "Objecting Entities" has the meaning given to such term in Section 2.2(c) of
18 the Disclosure Statement.
- 19 119. "Orrick" means the law firm of Orrick, Herrington & Sutcliffe LLP.
- 20 120. "Other Insurers" means all entities other than USF&G Parties that directly,
21 or through predecessors in interest, provide or have provided insurance coverage to the Debtors,
22 including, without limitation, General Accident Insurance Company of America, The Hartford
23 Accident and Indemnity Company, The Home Insurance Company, individually and as successor
24 in interest to The Home Indemnity Company, Zurich Insurance Co. and Zurich American
25 Insurance Company, Argonaut Insurance Company, Continental Casualty Company, CNA
26 Casualty Company, Employers Reinsurance Corporation, United States Fire Insurance Company,
27 Interstate Fire & Casualty Company, and Allianz Insurance Company, in each case including all of
28 their respective related entities and affiliates.

- 1 121. "Other Organ Cancer" has the meaning given to such term in Section
2 IV.b(viii) of the Case Valuation Matrix.
- 3 122. "PBGC" shall mean the Pension Benefit Guaranty Corporation, a wholly-
4 owned United States government corporation and an agency of the United States that administers
5 the defined benefit pension plan termination insurance program under Title IV of ERISA.
- 6 123. "Pension Plans" shall mean the MacArthur Co. Salaried Employees Pension
7 Plan and the MacArthur Co. Union Factory Restated Pension Plan, tax-qualified defined benefit
8 pension plans covered by Title IV of ERISA.
- 9 124. "Payment Percentage" has the meaning given to such term in Section 4.2 of
10 the TDP.
- 11 125. "Person" means an individual, a corporation, a partnership, a joint venture,
12 an association, a joint stock company, a limited liability company, a limited liability partnership,
13 an estate, an unincorporated organization, a trust, a class or group of individuals, any "Insured,"
14 "Named Insured," "Persons Insured," additional insured or additional named insured, or equivalent
15 term contained in the Policies as those terms are used in the Policies, or any other entity or
16 organization, including without limitation any federal, state or local governmental or quasi-
17 governmental body or political subdivision, department, agency or instrumentality thereof.
- 18 126. "Petition Date" means November 22, 2002, the date on which the
19 Reorganization Cases were commenced.
- 20 127. "PFI" has the meaning given to such term in Section 4.5 of the Disclosure
21 Statement.
- 22 128. "Plan" means the Joint Plan of Reorganization filed by the Debtors in the
23 Reorganization Cases and any amendments to the Joint Plan of Reorganization made in
24 accordance with the Bankruptcy Code.
- 25 129. "Plan Disapproval" has the meaning given to such term in Section
26 2.2(b)(i)(C) of the Disclosure Statement.
- 27 130. "Plan Documents" means the Plan and all documents, attachments and
28 exhibits thereto, including but not limited to, the Trust Documents, and any amendments thereto

1 made in accordance with the Bankruptcy Code, that aid in effectuating the Plan, which documents
2 attachments and exhibits filed by the Debtors with the Bankruptcy Court.

3 131. "Plan Proponents" has the meaning given to such term in the first paragraph
4 of the Plan.

5 132. "Policies" means any and all policies of insurance, whether primary,
6 umbrella, excess or otherwise, and whether liability, first party or otherwise, and whether known
7 or unknown, issued or alleged to have been issued by any of the USF&G Parties or any other
8 Settling Asbestos Insurance Company to any of the Debtors prior to the Effective Date or under
9 which any of the Debtors claim to be entitled to insurance coverage as a matter of law or as a
10 named insured, insured, additional named insured, additional insured, person insured, or
11 equivalent term contained in the policies, including but not limited to those policies listed in
12 Exhibit A to the USF&G Settlement. The term "Policies" includes the foregoing policies, whether
13 the Debtors assert a right to coverage as a named insured, insured, additional named insured,
14 additional insured, person insured, or equivalent term contained in the policies, or by way of
15 assignment from another insured or Person claiming an interest in or derived from such policies.

16 133. "Pre-Petition Committee" has the meaning given to such term in Section 3.2
17 of the Disclosure Statement.

18 134. "Pre-Petition Liquidated Claims" has the meaning given to such term in
19 Section 5.4 of the TDP.

20 135. "Priority Claim" means any Claim (other than an Administrative Claim or a
21 Priority Tax Claim), to the extent such Claim is entitled to a priority in payment under section
22 507(a) of the Bankruptcy Code.

23 136. "Priority Tax Claim" means any Claim, to the extent that such Claim is
24 entitled to a priority in payment under section 507(a)(8) of the Bankruptcy Code.

25 137. "Proof of Claim" means any proof of claim filed with the Bankruptcy Court
26 or its duly appointed claims agent with respect to a Debtor pursuant to Bankruptcy Rules 3001 or
27 3002.

28 138. "Protected Party" means any of the following parties:

- 1 (a) the Debtors, any entity that becomes a direct or indirect transferee of
2 or successor to any assets of any of the Debtors (to the extent of liability by reason of such transfer
3 or succession), any party with a financial interest in any of the Debtors, or any party that was, is,
4 or becomes involved in the management of the Debtors or was, is or becomes an Agent of any of
5 the Debtors, provided that nothing in this Section shall be construed to apply to any claim against
6 any of the Other Insurers;
- 7 (b) the Committee, and the Futures Representative, and any of their
8 respective Agents;
- 9 (c) the Trust, the TAC, any of the Trustees, and their respective Agents;
- 10 and
- 11 (d) the USF&G Parties, and each other Settling Asbestos Insurance
12 Company named as such in the Confirmation Order.

13 139. "Reduced Payment Option" has the meaning given to such term in Section
14 2.5 of the TDP.

15 140. "Released Non-Debtor Parties" means (a) the Committee and its Agents, (b)
16 the Futures Representative and his or her Agents, and (c) the USF&G Parties, and each other
17 Settling Asbestos Insurance Company named as such in the Confirmation Order and subject to the
18 terms of the Asbestos Insurance Settlement Agreement to which such Settling Asbestos Insurance
19 Company is a party.

20 141. "Released Party" means each of (a) the Debtors (as a result of discharges or
21 injunctions entered in their favor), any of their respective post-Effective Date successors or assigns
22 and each of their present and former Agents, (b) the Committee, the Futures Representative and
23 their respective Agents, (c) the USF&G Parties and (d) each other Settling Asbestos Insurance
24 Companies named as such in the Confirmation Order and subject to the terms of the Asbestos
25 Insurance Settlement Agreement to which such Settling Asbestos Insurance Company is a party.

26 142. "Reorganization Cases" means the cases under Chapter 11 of the
27 Bankruptcy Code before the Bankruptcy Court styled *In re Western Asbestos Company, Western*
28

1 *MacArthur Co. and Mac Arthur Co., Debtors*, Case Nos. 02-46284-T, 02-46285-T, and 02-46286-
2 T (jointly administered under Case No. 02-46284-T).

3 143. "S&P" means Standard & Poor's Corporation.

4 144. "Schedules" means the schedules, statement of affairs and other statements
5 and lists filed by a Debtor with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, if such
6 documents are filed, as they have been and may be amended or supplemented from time to time.

7 145. "Second Disease Claim" has the meaning given to such term in Section
8 5.8(a) of the TDP.

9 146. "Secured Claim" means any Claim that is secured in whole or part, as of the
10 Petition Date, by a Lien.

11 147. "Serious Asbestosis" has the meaning given to such term in Section V.b(vii)
12 of the Case Valuation Matrix.

13 148. "Settling Asbestos Insurance Company" means:

14 (a) the USF&G Parties; and

15 (b) any Asbestos Insurance Company that has, *before the Effective*
16 *Date*, entered into an Asbestos Insurance Settlement Agreement that is sufficiently comprehensive
17 in the determination of the Plan Proponents (in their absolute discretion) to warrant treatment
18 under section 524(g) of the Bankruptcy Code;

19 provided, however, under no circumstances shall any "Settling Asbestos Insurance
20 Company" include any Other Insurer against whom a Debtor or the Trust has potential rights of
21 recovery for Asbestos Related Claims, unless such Other Insurer otherwise qualifies as a Settling
22 Asbestos Insurance Company.

23 149. "Supplemental Injunction" means the injunction described in Section 9.3(b)
24 of the Plan.

25 150. "TAC" means the Trust Advisory Committee, consisting of the individuals
26 appointed and serving in accordance with Article 4 of the Plan and having the powers, duties and
27 obligations set forth in the Trust Agreement.

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- 1 151. "Tax Attributes" has the meaning given to such term in Section 12.1(a) of
2 the Disclosure Statement.
- 3 152. "TDP" means the Western Asbestos Company/Western MacArthur Co./Mac
4 Arthur Co. Asbestos Personal Injury Settlement Trust Distribution Procedures substantially in the
5 form attached as Annex B to the Trust Agreement, as may be modified from time to time as
6 provided in the Trust Agreement.
- 7 153. "Termination Date" means that certain date upon which the Trust shall
8 automatically terminate and which shall be 90 days after the first occurrence of any one of the
9 events listed in Section 7.2(a) of the Trust Agreement.
- 10 154. "Trigger Point" has the meaning given to such term in Section 5.4 of the
11 TDP.
- 12 155. "Trust" means the Western Asbestos Settlement Trust established pursuant
13 to the Trust Agreement.
- 14 156. "Trust Agreement" means that certain Western Asbestos Settlement Trust
15 Agreement, effective as of the Effective Date, substantially in the form attached as Exhibit 2 to the
16 Plan, as it may be modified from time to time.
- 17 157. "Trust Assets" means the assets to be delivered to the Trust pursuant to the
18 Plan Documents, or otherwise, and include without limitation the following assets and any
19 income, profits, and proceeds derived therefrom: (a) all shares of the common stock of Western
20 Asbestos, (b) the Mac Arthur Note, (c) rights under the Mac Arthur Pledge Agreement, (d) the
21 Mac Arthur Business Loss Insurance Security, (e) the Mac Arthur General Insurance Security, (f)
22 all rights pursuant to all of the Asbestos In-Place Insurance Coverage and the Asbestos Insurance
23 Policies, (g) the proceeds of the Asbestos Insurance Settlement Agreements, (h) the proceeds of
24 the Asbestos In-Place Insurance Coverage, and (i) the proceeds of the Asbestos Insurance Actions.
25 The Trust Assets will not, however, include any rights or claims by any of the Debtors against any
26 of the Other Insurers, other than the right to prosecute such rights and claims, except as such rights
27 or claims are transferred under the Mac Arthur Business Loss Insurance Security or the Mac
28 Arthur General Insurance Security. Trust Assets shall additionally include (a) the remaining

1 proceeds on the Petition Date, including interest earned thereon, derived from the General
2 Accident Settlement to the extent provided in Section 8.11 of the Plan, and (b) the Debtors' rights
3 for contribution and reimbursement against parties other than Released Parties, as provided in
4 Section 8.10 of the Plan.

5 158. "Trust Bylaws" means the Western Asbestos Settlement Trust Bylaws,
6 effective as of the Effective Date, substantially in the form attached as Annex A to the Trust
7 Agreement, as may be modified from time to time.

8 159. "Trust Documents" means the Trust Agreement, the Trust Bylaws, the TDP
9 and the other agreements, instruments and documents governing the establishment, administration
10 and operation of the Trust, which shall be substantially in the form set forth in Exhibit 2 to the
11 Plan, as they may be amended or modified from time to time in accordance with the Plan and such
12 documents.

13 160. "Trust Expenses" means any of the Asbestos Expenses, and any other
14 liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of the Trust (except
15 for payments to holders of Asbestos Related Claims on account of such Asbestos Related Claims).

16 161. "Trustees" means the Persons appointed pursuant to Article 4 of the Plan,
17 for the purpose of acting as trustees of the Trust in accordance with the terms and conditions
18 contained in the Trust Documents, the Plan and the Confirmation Order.

19 162. "USF&G" means United States Fidelity and Guaranty Company.

20 163. "USF&G Continuing Indemnification Obligations" has the meaning given
21 to such term in Section 9.1 of the Plan.

22 164. "USF&G Litigation" has the meaning given to such term in Section
23 2.2(b)(1)(A) of the Disclosure Statement.

24 165. "USF&G Parties" means USF&G, The St. Paul Fire & Marine Insurance
25 Company, The St. Paul Companies, Inc., and their respective subsidiaries, Affiliates, predecessors,
26 successors or assigns, and their past, present and future Agents, and their Affiliates, subsidiaries,
27 predecessors, successors and assigns.

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166. "USF&G Settlement" means that certain Settlement Agreement dated June 3, 2002 and entered between the Debtors, the USF&G Parties and certain Asbestos Related Claimants, as amended, attached to the Plan as Exhibit 3.

167. "United States Trustee" means the United States Trustee whose territory includes the Bankruptcy Court.

168. "Unsecured Claim" means any Claim that is neither secured nor entitled to priority under the Bankruptcy Code and is not an Asbestos Related Claim.

169. "U.S. Bank" has the meaning given to such term in Section 4.6 of the Disclosure Statement.

170. "Voting Agent" has the meaning given to such term in Section 1.2 of the Disclosure Statement.

171. "Voting Deadline" has the meaning given to such term in Section 1.2 of the Disclosure Statement.

172. "WAC/WMC Ratio" has the meaning given to such term in Section 2.5 of the TDP.

173. "Western Asbestos" has the meaning given to such term in the first paragraph of the preamble to the Plan.

174. "Western MacArthur" has the meaning given to such term in the first paragraph of the preamble to the Plan.