

COMPROMISE AND SETTLEMENT AGREEMENT

This **COMPROMISE AND SETTLEMENT AGREEMENT** ("Agreement") is made and entered into on this 21st day of March, 2005 by and among FEDERAL-MOGUL CORPORATION ("Federal-Mogul"), T&N LIMITED (T&N"), GASKET HOLDINGS INCORPORATED ("GHI"), and FERODO AMERICA, INC. ("Ferodo"), each a debtor and debtor in possession (collectively, the "Debtors") in the jointly administered reorganization cases entitled In re Federal-Mogul Global, Inc., T&N Limited, et al., United States Bankruptcy Court, District of Delaware, Case Nos. 01-10578-RTL ("Reorganization Cases"); THE CENTER FOR CLAIMS RESOLUTION, INC., a Delaware not for profit corporation ("CCR"); AMCHEM PRODUCTS, INC., CERTAINTEED CORP., DANA CORPORATION, I.U. NORTH AMERICA, INC., MAREMONT CORP., NATIONAL SERVICE INDUSTRIES, INC., NOSROC CORP., PFIZER, INC., and UNION CARBIDE CORP. (collectively, the "CCR Members"); the OFFICIAL COMMITTEE OF ASBESTOS CLAIMANTS appointed in the Reorganization Cases ("Asbestos P/I Committee"); the OFFICIAL COMMITTEE OF UNSECURED CREDITORS appointed in the Reorganization Cases ("Creditors Committee"); the FUTURE ASBESTOS CLAIMANTS REPRESENTATIVE ("FCR") appointed in the Reorganization Cases; and SAFECO INSURANCE COMPANY OF AMERICA, TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and CONTINENTAL CASUALTY COMPANY (collectively, the "Sureties"). The Debtors, CCR, the CCR Members, the Asbestos P/I Committee, the Creditors Committee, the FCR and the Sureties are hereinafter collectively referred to as the "Parties." Capitalized terms not otherwise defined in this Agreement shall have the meanings given to such terms in the Third Amended Joint Plan of Reorganization, dated June 4, 2004, on file in the Reorganization Cases. This Agreement is entered into, subject to approval of the Court, with reference to each of the following facts:

RECITALS

A. The Debtors and certain of their affiliates commenced the Reorganization Cases on the Petition Date.

B. Prior to the Petition Date, T&N, GHI and Ferodo were members of CCR. In accordance with the terms of the Producer Agreement Concerning Center for Claims Resolution dated September 28, 1988, as amended from time to time ("Producer Agreement") and related governing documents, CCR entered into a series of settlements, or protocols for settlements ("CCR Settlements or Protocols") of asbestos personal injury and wrongful death claims ("Asbestos P/I Claims") on behalf CCR's then existing members, including T&N, GHI and Ferodo. As of the Petition Date, the Debtors' obligations under certain CCR Settlements or Protocols remained unfunded or only partially funded. As a result of the Debtors' failure to pay their shares of required settlement amounts, holders of Asbestos P/I Claims ("Asbestos P/I Claimants") who are parties to such CCR Settlements or Protocols asserted their unsatisfied claims against CCR and/or other CCR Members in order to recover the portion(s) of the settlement consideration attributable to the Debtors.

C. On or about December 29, 2000, the Sureties issued the CCR Surety Bonds (also referred to herein as the "Bonds") in favor of CCR in the original aggregate penal sum of \$250 million. As of the Petition Date, the aggregate penal sum of the Bonds had been reduced pursuant to the terms of the Bonds to the sum of \$225 million. The CCR Surety Bonds remain outstanding as of this date. Among other disputes and disagreements between the Parties, a dispute currently exists as to whether the CCR Surety Bonds may be drawn by CCR, and, if so, the scope, nature and amount of the Debtors' obligations for which the Bonds may be drawn.

D. On or about October 16, 2001, CCR issued a notice to the Debtors of CCR's intention to make demand on the Sureties under the CCR Surety Bonds in the amount of \$31,202,064 ("First Demand"). After expiration of 10 business days following the First Demand, CCR made written demand upon each of the Sureties for payment of the amount stated in the First Demand. CCR's demand for payment under the Bonds in the amount of the First Demand has not been honored to date.

E. On or about December 12, 2001, CCR issued an additional notice to the Debtors of CCR's intention to make demand on the Sureties under the CCR Surety Bonds in the additional amount of \$151,449,854.00 ("Second Demand"). After expiration of 10 business days following the Second Demand, CCR made written demand upon each of the Sureties for payment of the amount stated in the Second Demand. CCR's demand for payment under the Bonds in the amount of the Second Demand has not been honored to date.

F. No payment under the Bonds has been made to CCR with respect to the First Demand, the Second Demand or CCR's related demands upon the Sureties. Pursuant to order of the District Court in the CCR Litigation, any draw on the Bonds and any payment by the Sureties under the Bonds are temporarily restrained and enjoined pending further order of the District Court.

G. On or about November 23, 2001, the Debtors commenced Adversary Proceeding No. 01-8885 by filing a Complaint naming as defendants CCR and the Sureties (the "CCR Litigation"). The Debtors subsequently filed an Amended Complaint in the CCR Litigation asserting additional claims. In due course, the pleadings were closed and the CCR Litigation is now fully at issue. The District Court realigned the parties in the CCR Litigation such that the Debtors, the Sureties and Creditors Committee were aligned as parties-plaintiff, and CCR remained as the only defendant in the action.

H. Pursuant to a Case Management Order entered by then District Judge Alfred Wolin in the CCR Litigation, the District Court bifurcated the action into Phase One, consisting of liability issues, and Phase Two, consisting of damages representing the extent to which the CCR Surety Bonds could be drawn by CCR. The parties in the CCR Litigation filed cross-motions for summary judgment with respect to Phase One issues. After full briefing, the District Court granted in part, and denied in part, each parties' motion for summary judgment on the Phase One issues. As of this date, no final judgment has been entered in the CCR Litigation.

I. The Creditors Committee commenced a separate action against CCR in the Reorganization Cases entitled *Official Committee of Unsecured Creditors v. Center for Claims Resolution, Inc.*, Adv. Pro. No. 03-56283 ("Preference Action"). CCR disputes the

Creditors Committee's allegations in the Preference Action. The Preference Action is now at issue awaiting trial.

J. CCR and/or CCR Members have filed the following designated Proofs of Claim in the Reorganization Cases: Claim Nos. 5301, 5302, 5303, 5304, 5305, 5306, 5363, 5364, 5365, 5372, 5373, 5374, 6032, 6033, 6034, 6155, 6156, 6157, 6295, 6296, 6297, 6753, 6754, 6758, 6849, 6850 and 6851 (collectively, the "CCR Proofs of Claim").

K. As the result of extensive arms-length negotiations, the parties have now compromised and settled their disputes and differences regarding CCR's entitlement to draw on the Bonds, their respective rights and obligations with respect to the CCR Surety Bonds, the cancellation and discharge of the Bonds, and all other claims, counterclaims, cross-claims, and defenses asserted or capable of being asserted in or related to the CCR Litigation as well as the Preference Action. Accordingly, the Parties have entered into and executed this Agreement to memorialize all of their understandings and agreements regarding the foregoing, as well as all other matters addressed herein.

L. The Debtors, the Sureties and the Creditors Committee, on the one hand, and CCR, on the other hand, dispute the opposing Party or Parties' contentions in the CCR Litigation and, as applicable, in the Preference Action, and all Parties have entered into the compromise and settlement embodied in this Agreement solely to avoid uncertainties, further cost and expense, and further disruption and delay inherent in litigating their disputes and differences to a final conclusion.

AGREEMENT

NOW, THEREFORE, in contemplation of the foregoing Recitals, and in consideration of the mutual covenants and agreements contained herein, and for such other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, subject to approval of the Court in the Reorganization Cases, the Parties agree as follows:

1. **Settlement Amount.** In full and complete settlement and discharge of any and all claims held by CCR against the Debtors and their estates, as well as any and all claims held by CCR against the Sureties with respect to the CCR Surety Bonds, the Sureties shall, subject to the entry of a Final Order approving this Agreement and a Final Order approving the Surety Settlement (as hereinafter defined), pay to CCR upon the terms and conditions set forth herein, the sum of \$29,000,000 (Twenty-Nine Million Dollars) ("Settlement Amount") in funds immediately available when such payment is due.

1.1 The Settlement Amount shall be paid to CCR by the Sureties on the later of (i) May 2, 2005, or (ii) the third business day after the Settlement Effective Date (as defined in Section 11, *infra*).

1.2 The Settlement Amount shall be funded by the Sureties with the amount thereof allocated among the Sureties based upon the respective liability of each Surety under such Bonds (i.e., Safeco: 30%; CNA: 30%; Travelers in its capacity as successor in interest to Reliance Insurance Company: 20%; and Travelers: 20% (collectively, the "Surety Percentages")). Each Surety shall have a claim for indemnification against the Debtors and

certain of their affiliates resulting from, *inter alia*, payment of the Settlement Amount, in accordance with the terms of the Contract of Indemnity relating to each Bond. The nature and amount of the Surety Claims, the treatment of such Claims under the Plan or a Modified Plan (as defined in the subsequently referred to Surety Settlement), and related issues have been compromised and settled between the Sureties and the Plan Proponents upon the terms and conditions set forth in the "*Stipulation and Agreement for Compromise and Settlement of Secured Surety Claims, for Treatment Thereof Under Third Amended Joint Plan of Reorganization, and Related Matters*" filed on February 24, 2005 in the Reorganization Cases ("Surety Settlement").

1.3 The Sureties will pay the Settlement Amount to CCR by wire transfer according to transfer instructions to be provided by CCR, for deposit directly into a separate trust account ("Trust Account") established and maintained by CCR for the sole purpose of administering such settlement proceeds.

1.4 Upon receipt by CCR, the Settlement Amount shall be held in trust, administered, withdrawn and applied solely in accordance with the terms and provisions of this Agreement.

2. **Cancellation of CCR Surety Bonds.** Upon receipt of the Settlement Amount in the Trust Account, the CCR Surety Bonds shall be deemed cancelled, and the Sureties shall have no further obligations under such Bonds. CCR shall take such actions as may be reasonably requested by the Sureties to evidence cancellation of the CCR Surety Bonds, including, without limitation, return of the original CCR Surety Bonds to Federal-Mogul within fifteen (15) days after payment of the Settlement Amount, upon receipt of which Federal-Mogul shall immediately deliver the cancelled Bonds to each respective Surety. Notwithstanding the foregoing, and subject to payment of the Settlement Amount, to the extent of any failure by CCR to timely comply with the requirements of this section 2, and in the event that any Surety receives a demand for payment upon presentation of an original CCR Surety Bond, CCR shall indemnify and hold each respective Surety harmless from and against any and all amounts paid by the Surety to the claimant, together with any and all costs and fees incurred in connection therewith.

3. **Disbursements from Trust Account.** CCR shall be entitled to withdraw portions of the Settlement Amount from the Trust Account from time to time, and shall disburse and apply the settlement proceeds solely in accordance with the following terms and conditions:

a. **Reimbursement of Expenses.** CCR represents to the Debtors and other Parties that the amount of CCR's unreimbursed attorney's fees, costs and other administrative expenses incurred in connection with the CCR Litigation, the Preference Action, and the Debtors' Reorganization Cases, measured as one-third of such amounts incurred by CCR in connection with proceedings relating to the Debtors, Armstrong World Industries, Inc., and USG Corporation, is the sum of approximately \$3.0 million. Subject to verification of the amount of such fees, costs and expenses as so measured ("Verified Fees and Expenses") to the reasonable satisfaction of the Debtors and the Creditors Committee, CCR shall be entitled to withdraw from the Trust Account and disburse to itself an amount equal to the Verified Fees and Expenses. Within fifteen (15) days after delivery by CCR of the relevant documentation, which

documentation shall be acceptable if provided in month-by-month summary format, the Debtors and the Creditors Committee shall review and, as appropriate, verify the amount of CCR's fees and expenses. Immediately following such 15-day review period, the Debtors and Creditors Committee shall give written notice to CCR regarding the amount of CCR's fees and expenses which the Debtors and Creditors Committee acknowledge that CCR shall be entitled to withdraw from the Trust Account. In the event that the Debtors and Creditors Committee dispute some portion or all of the total amount of fees and expenses claimed by CCR, CCR shall be entitled to withdraw and disburse to itself an amount equal to the undisputed portion of such fees and expenses, and the disputed portion, if any, shall be submitted to the Bankruptcy Court for determination upon motion of the Debtors and the Creditors Committee, or CCR.

b. Existing Resettlements. CCR further represents to the Debtors and other Parties that CCR Members have paid their own funds, and will pay additional funds in the future, to Asbestos P/I Claimants on account of the Debtors' unfunded liability under CCR Settlements or Protocols, with respect to which CCR and/or the settling CCR Members have obtained or will obtain either (i) a signed release from each Asbestos P/I Claimant with respect to the applicable Debtor, or (ii) an assignment of each Asbestos P/I Claimant's rights and claims against the applicable Debtor under the pertinent settlement agreement ("Existing Resettlements"). CCR has estimated that the Debtors' share of unfunded liability for Asbestos P/I Claims represented by Existing Resettlements is approximately \$14.5 million. The Debtors and the Creditors Committee shall be entitled to review and verify that (y) signed releases or valid assignment documents relating to Asbestos P/I Claims covered by Existing Resettlements have been delivered to and are in the possession of CCR or its attorneys and agents, and (z) that such signed releases and/or assignment documents relate to a specific dollar amount of the Debtors' unfunded liability under CCR Settlement Agreements or Protocols that are the subject of Existing Resettlements. Such review and verification shall be concluded within fifteen (15) business days after the relevant documentation is produced or otherwise made available for inspection and copying by CCR. Immediately after such 15-day review period, the Debtors and Creditors Committee shall give written notice to CCR regarding the amount of the Debtors' unfunded liability acknowledged to be covered by Existing Resettlements and evidenced by signed releases or valid assignment documents. CCR shall thereupon be authorized to withdraw from the Trust Account and disburse to itself or to CCR Members an amount equal to the dollar amount so acknowledged by the Debtors and the Creditors Committee. In the event that the Debtors and Creditors Committee dispute some portion or all of the total amount that CCR is entitled to withdraw from the Trust Account and disburse on account of Existing Resettlements, CCR shall be entitled to withdraw and disburse an amount equal to the undisputed portion, and the disputed portion, if any, shall be submitted to the Bankruptcy Court for determination upon motion of the Debtors and Creditors Committee, or CCR.

c. Future Resettlements. CCR further represents that CCR and/or CCR Members intend to negotiate additional resettlement agreements with Asbestos P/I Claimants whose Asbestos P/I Claims are the subject of CCR Settlements or Protocols to which one or more of the Debtors are parties ("Future Resettlements"). Accordingly, in addition to settlement proceeds permitted to be withdrawn in accordance with paragraphs 3.a and 3.b above, CCR shall be entitled to withdraw from the Trust Account and disburse to itself or to CCR Members, from time to time, amounts equal to the Debtors' shares of unfunded liability under CCR Settlements or Protocols that become subject to Future Resettlements; provided, however,

that as a pre-condition to CCR's entitlement to withdraw settlement proceeds from the Trust Account on account of Future Resettlements, CCR and/or the settling CCR Members shall obtain either (x) a valid release from each Asbestos P/I Claimant in favor of the Debtors and each of the Debtors' affiliates (whether or not such affiliate is a former CCR member), releasing and discharging all Asbestos P/I Claims held by the Asbestos P/I Claimant that were purported to be released (and which the Parties hereto believe and contend were released) by such claimant under the applicable CCR Settlement or Protocol; or (y) an assignment of each Asbestos P/I Claimant's rights, claims and interests against the Debtors and each of the Debtors' affiliates (whether or not such affiliate is a former CCR Member) arising under the applicable CCR Settlement or Protocol. At least thirty (30) days prior to any withdrawal from the Trust Account and disbursement related to Future Resettlements, CCR shall provide the Debtors, the Creditors Committee and the FCR with a list of such claims and the amounts proposed to be disbursed, and a copy of each applicable signed release or assignment document. Unless the Debtors and Creditors Committee have delivered a written notice to CCR objecting to the amount proposed to be withdrawn from the Trust Account prior the conclusion of such 30-day review period, CCR shall be entitled to withdraw and disburse the stated dollar amount immediate after the conclusion of such period. In the event that the Debtors and the Creditors Committee dispute some portion or all of the total amount that CCR is entitled to withdraw from the Trust Account and disburse on account of each increment of Future Resettlements, CCR shall be entitled to withdraw and disburse an amount equal to the undisputed portion, and the disputed portion, if any, shall be submitted to the Bankruptcy Court for determination upon motion of the Debtors and the Creditors Committee, or CCR.

d. Remainder. On the later of the fifth anniversary of payment of the Settlement Amount, or six months after the final resolution of any litigation arising from the Debtors' unfunded obligations under CCR Settlements or Protocols, whichever occurs later, CCR shall cause any funds remaining in the Trust Account to be transferred and paid as follows: (i) to Reorganized Federal-Mogul on behalf of the Reorganized Debtors if (a) the Plan, a Modified Plan, or an Alternative Plan which has been accepted by the Sureties (as all such capitalized terms are defined in the Surety Settlement) has been confirmed, or (b) any other plan although not accepted by the class of claims that includes the Surety Claims has been confirmed under the provisions of Section 1129(b)(2) of the Bankruptcy Code, and in connection with such plan the Court has determined that to the extent any portion of the Surety Claims are Unsecured Claims, the Sureties will receive or retain on account of such Claims property of a value, as of the effective date of the plan, equal to the allowed amount of such claims; or (ii) in all other circumstances, to the Sureties with such amount allocated among the Sureties based upon the Surety Percentages and applied to reduce the then outstanding balance of the Surety Claims. Notwithstanding the foregoing, the provisions of this Section 3.d. shall not confer standing on the Sureties to dispute CCR's entitlement to withdraw and disburse funds from the Trust Account on account of Verified Fees and Expenses, Existing Resettlements or Future Resettlements in such amounts as are not disputed by the Debtors and the Creditors Committee.

4. Assignment of CCR Interests. Upon withdrawal and disbursement of any portion of the Settlement Amount from the Trust Account in accordance with the provisions of this Agreement, CCR shall be deemed to have assigned, transferred and conveyed to the Debtors and their estate, all of CCR's and the CCR Members' respective right, title and interest in and to (i) any and all assignments or partial assignments of the applicable Asbestos P/I

Claimants' claims or rights against the Debtors under CCR Settlements or Protocols which have been previously obtained by or assigned to CCR or the CCR Members; (ii) any and all rights of participation or other interests in or with respect to the claims of the applicable Asbestos P/I Claimants against the Debtors, arising under or relating to CCR Settlements or Protocols, which have been previously obtained by or assigned to CCR or the CCR Members; and (iii) any similar right, claim or interest against the Debtors arising in favor of the applicable Asbestos P/I Claimants under or relating to CCR Settlements or Protocols, held by CCR or the CCR Members as a result of Existing Resettlements or any Future Resettlement. CCR shall execute and deliver to the Debtors such additional documentation as may be reasonably requested to evidence such transfers and assignments.

5. **Dismissal of Pending Actions.** Upon receipt of the Settlement Amount in the Trust Account, the CCR Litigation, the Preference Action, and any and all claims asserted or capable of being asserted therein, shall be dismissed with prejudice and without costs except as otherwise provided by agreement or Court Order. The Parties shall cooperate with one another and take any actions reasonably necessary to effectuate such dismissals.

6. **Withdrawal of CCR Proofs of Claim.** Upon receipt of the Settlement Amount in the Trust Account, CCR shall be deemed to have withdrawn with prejudice each of the CCR Proofs of Claim. CCR shall execute and deliver to the Debtors, or to the Claims Agent, such additional documentation as may be reasonably requested to evidence such withdrawals.

7. **Waiver of Confirmation Objections.** Upon receipt of the Settlement Amount in the Trust Account, CCR and each of the CCR Members shall be deemed to have waived and released any objections to confirmation of the Plan that have been filed or could be filed by CCR or the CCR Members, respectively.

8. **Mutual Releases.**

8.1 Subject to and conditioned on timely payment by the Sureties of the Settlement Amount, and excluding only any rights or obligations arising under or confirmed by the terms of this Agreement, the Debtors (individually and as representatives of their respective Estates), the Sureties, the Asbestos P/I Committee, the Creditors Committee, and the FCR, on the one hand, and CCR and the CCR Members, on the other hand, on behalf of themselves and each such releasor's officers, directors, employees, agents, affiliates, subsidiaries, predecessors, successors and assigns, hereby release and forever discharge each other and each releasee's officers, directors, employees, agents, affiliates, subsidiaries, predecessors, successors and assigns, from and against any and all claims, rights, remedies, debts, all manner of action or actions, liabilities, responsibilities, disputes, demands, causes of action at law or in equity, loss, costs, expenses and obligations of any kind or nature whatsoever, whether or not arising under federal or state laws or regulations, statutes, rules or common law, whether in contract, tort or otherwise, whether legal or equitable, whether known or unknown, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, direct or indirect, from the beginning of time through the date hereof, that are based upon, relate to, arise out of or are in connection with the CCR Surety Bonds, the CCR Litigation, the Preference Action or the claims asserted in any such action (the "Released Claims"); provided, however, that nothing contained herein shall constitute or be construed to constitute (i) a release in favor of the Sureties by or on

behalf of the Plan Proponents or any of them; (ii) a release in favor of the Plan Proponents by or on behalf of the Sureties or any of them; (iii) a release, waiver or discharge of the respective obligations of the Sureties and the Plan Proponents under the Surety Settlement; or (iv) a release, waiver or discharge of any claim, cause of action, or the like, other than the Released Claims.

8.2 Each of the parties acknowledges that it has been advised by legal counsel of its own choosing in entering into this Agreement and the mutual releases contained herein, and that it is familiar with and understands the provisions of Section 1542 of the California Civil Code (as well as the analogous principles of common law and the similar law of states other than California) which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Each of the parties on its own behalf and on behalf of its affiliated releasors, being aware of the foregoing provision, hereby expressly waives and relinquishes any rights it may have thereunder, as well as any rights under any other statutes or common law principles of similar effect.

8.3 Each party hereto agrees, represents and warrants that it has not heretofore assigned or transferred, or purported to assign or transfer, voluntarily or involuntarily (and promises that it will not assign or transfer prior to the effective date of the foregoing releases), to any other person or entity whatsoever, any of the claims, causes of action, or the like, agreed to be released by it herein, and agrees further to indemnify and hold the other parties harmless from any and all liability, damages, and expense (including reasonable attorney's fees), should any other person or entity hereafter claim ownership of, or the right to sue upon, any such matters.

9. Retention of Bankruptcy Court Jurisdiction. The Parties agree that the Bankruptcy Court in the Reorganization Cases has and shall retain exclusive jurisdiction over the settlement embodied in this Agreement, as well as any action to interpret or enforce the terms and provisions hereof.

10. Representations and Warranties. CCR represents and warrants to the other settling Parties that, to the best of CCR's knowledge, information and belief after diligent inquiry, that (a) the representations stated above with respect to the amount of CCR's attorney's fees, costs and expenses (Section 3.a.), Existing Resettlements (Section 3.b.) and Future Resettlements (Section 3.c.) are true, correct and accurate in all respects, and (b) the CCR Members identified in the Preamble to this Agreement include all of the current members of CCR as of this date. In addition to the foregoing, each of the Parties hereto, in order to induce each other Party to enter into this Agreement, hereby covenants, represents and warrants to each other, with the intent and understanding that the other Parties hereto are expressly relying thereon as a material inducement to enter into this Agreement, as follows: (x) each Party has the full, power, right and authority to execute this Agreement and perform its obligations as set forth herein; provided, however, that in the case of the Debtors, such authority is subject to approval of the Bankruptcy Court; (y) upon execution hereof, and subject to Court approval, this

Agreement will be a valid, binding, subsisting and enforceable obligation of such Party; and (z) the execution, delivery and performance of the terms and conditions of this Agreement shall not, by lapse of time, the giving of notice, or otherwise, constitute a violation of any applicable law or a breach of any provision contained in any agreement, instrument or document to which such Party is now or hereafter becomes a party. CCR further represents and warrants to the Sureties and the Debtors, and each of them, with the intent and understanding that the Sureties and the Debtors are expressly relying thereon as a material inducement to enter into this Agreement, that CCR is the sole true and lawful owner of the CCR Surety Bonds; that CCR's rights and interests in, to or under the CCR Surety Bonds have not been previously assigned or transferred, in whole or in part, and are free and clear of any and all liens, claims and encumbrances of any kind or nature; and that with the sole exception of the CCR Surety Bonds, CCR does not own, hold or possess any other performance bond or similar instrument issued by the Sureties that relates to the Debtors.

11. **Non-Occurrence of Settlement Effective Date.** This Agreement, and the terms and conditions of the settlement contained herein, are conditioned upon entry of a Final Order of the Bankruptcy Court in the Reorganization Cases approving and authorizing the terms hereof, and entry of a Final Order approving and authorizing the Surety Settlement ("Settlement Effective Date"). The Settlement Effective Date shall be deemed to have occurred on the date that the Bankruptcy Court's approval orders have become final and non-appealable. If the Bankruptcy Court declines to approve the terms of the settlement contained in this Agreement, and the terms of the Surety Settlement, each without material change (unless all Parties consent to any such change), or the Settlement Effective Date has not occurred on or before May 2, 2005, then unless the Parties agree otherwise the settlement set forth in this Agreement shall be null and void, and none of the statements, agreements or other provisions contained herein shall be admissible in any judicial or other proceeding involving any of the Parties hereto.

12. **Miscellaneous Provisions.**

a. **Construction of Terms.** This Agreement has been drafted jointly by the Parties in full consultation with their respective attorneys, and no ambiguity in the terms of this Agreement shall be interpreted or construed against any of the Parties on the basis of the source of its preparation.

b. **Entire Agreement.** This Agreement constitutes the entire agreement between and among the Parties relating to the subject matter hereof, and is the final and complete expression of their intent. No prior or contemporaneous negotiations, promises, agreements, covenants, or representations, of any kind or nature, whether orally or in writing, have been made by the Parties, or any of them, in the negotiations leading to this Agreement or relating to the subject matter thereof, which are not expressly stated herein, or which have not become merged and finally integrated herein. It is the intention of the Parties that in the event of any subsequent litigation, controversy or dispute concerning the terms and provisions of this Agreement, no party shall be permitted to offer or introduce oral or extrinsic evidence concerning the terms and conditions hereof that are not included or referred to herein and not reflected in this writing. This Agreement can only be changed, modified or amended by a writing signed by each of the Parties hereto which makes specific reference to this Agreement.

c. Binding Effect. This Agreement shall be binding upon each of the Parties hereto, together with their respective successors and assigns, including, in the case of the Debtors, any subsequently appointed Chapter 7 Trustee, Chapter 11 Trustee or other estate representative.

d. Counterparts. This Agreement may, and it is contemplated will, be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

WHEREFORE, the Parties have entered into and executed this Agreement as of the day and year first written above.

FEDERAL-MOGUL CORPORATION, T&N LIMITED, GASKET HOLDINGS, INC., AND FERODO AMERICA, INC., debtors and debtors in possession

By: _____
Title: _____

SAFECO INSURANCE COMPANY OF AMERICA

By: _____
Title: _____

OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS

By: _____
Title: _____

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD AND CONTINENTAL CASUALTY COMPANY

By: _____
Title: _____

CENTER FOR CLAIMS RESOLUTION, INC.

By: _____
Title: _____

TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

By: _____
Title: _____

LEGAL REPRESENTATIVE FOR FUTURE
ASBESTOS CLAIMANTS

By: _____

Title: _____

AMCHEM PRODUCTS, INC.

By: _____

Title: _____

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS

By: _____

Title: _____

CERTAINTEED CORP.

By: _____

Title: _____

DANA CORPORATION

By: _____

Title: _____

UNION CARBIDE CORP.

By: _____

Title: _____

MAREMONT CORP.

By: _____

Title: _____

I.U. NORTH AMERICA, INC.

By: _____

Title: _____

NATIONAL SERVICE INDUSTRIES, INC.

By: _____

Title: _____

NOSROC CORP.

By: _____

Title: _____

PFIZER INC.

By: _____

Title: _____