

| <u><b>Section</b></u>   | <u><b>Mischaracterization/Omission/Objection</b></u>  |
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| <p>"Asbestos Trust Aggregate Fund"<sup>10</sup></p> <p>- -</p> <p>Numerous Sections of Disclosure Statement</p> | <ul style="list-style-type: none"> <li>Per the Debtors, the linchpin of the Plan is a finding by the Court that the aggregate amount of the Asbestos PI-SE Claims, Asbestos PD Claims and Asbestos Trust Expenses Fund does not exceed \$1.483 billion. This cap on the amount of all Asbestos Claims, other than Asbestos PI-AO</li> </ul> |

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<sup>10</sup> The Disclosure Statement refers to the Asbestos Trust Aggregate Fund in myriad sections and, thus, for convenience, this Objection addresses the inadequacies of the disclosures with respect to the Fund at this point.

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|  | <p>Claims, permeates throughout the Disclosure Statement and the Plan.</p> <ul style="list-style-type: none"> <li>• Notwithstanding, the Debtors altogether fail to explain anywhere in the Disclosure Statement how they arrived at the wholly artificial ceiling on the Asbestos Trust Aggregate Fund, leading to the conclusion that it was plucked out of thin air. The failure to explain the bases for the Fund is a fundamental omission.</li> </ul>   |
| <p>1.2.1</p> <p>"What Claims and Interests are Affected by the Plan"</p> | <ul style="list-style-type: none"> <li>• The Disclosure Statement provides that the Plan "will leave most Claimants, including Holders of Asbestos Claims, unimpaired." However, as discussed elsewhere in greater detail, the Plan actually impairs most Claimants, including Holders of Asbestos Claims. Thus, this section is patently false and misleading. At a minimum, this section must be corrected to explain the alternative view that the Plan impairs most Claimants, which, if correct, would allow such Claimants to vote on the Plan.</li> <li>• The chart provided on pages 2-5 purports to summarize "the classification and treatment of Claims and Equity Interests under the Plan." However, as explained herein, the treatment of the Holders of Asbestos Claims as unimpaired under the Plan is legally impermissible, thus</li> </ul> |

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|   | making the Plan patently unconfirmable on its face, which renders the chart a nullity.   |
| <p>2.3.3</p> <p>"Zonolite Attic Insulation"</p> | <ul style="list-style-type: none"> <li>• This section provides a one-sided view of one of the Debtors' asbestos containing products---Zonolite Attic Insulation ("ZAI"). The Debtors describe ZAI as "contain[ing] trace quantities of asbestos and that the "milling and expansion processes removed nearly all of the asbestos contaminants from the vermiculite ore." In fact, ZAI has been found to contain 2-3% asbestos and, at times, even higher levels of asbestos.</li> <li>• However, as the Court is well aware, ZAI has been the subject of intense litigation throughout these cases, including a summary judgment hearing concerning, among other things, the harmful nature of ZAI. During the course of the ZAI litigation in these cases, substantial evidentiary support has been introduced that clearly contradicts the Debtors' statements in this section. A ruling has not yet been issued on the summary judgment motions. Thus, the Debtors should be required to include a description of the contrary evidence and arguments regarding the harmful nature of ZAI.</li> </ul> |
| <p>2.4</p> <p>"The Debtors'</p>                 | <ul style="list-style-type: none"> <li>• The Debtors' description of its historical asbestos-related</li> </ul>  |

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| Asbestos-Related Litigation"                   | <p>litigation is grossly inadequate and fails to include any specific information or data.</p> <ul style="list-style-type: none"> <li>• For example, the Debtors state that they "faced a substantial volume of Asbestos Claims, but were able to resolve such Claims primarily through negotiated settlements." However, the Debtors fail to provide any detail regarding their settlement and trial history with respect to Asbestos Claims. The Debtors should be required to provide a summary (at least by way of a chart) of the amounts they paid pre-petition in respect of Asbestos Claims, by category (i.e., PD Claims and PI Claims), including a breakdown of indemnity costs and defense costs.</li> <li>• The summary chart will permit creditors to conduct their own assessment regarding the legitimacy of the Debtors' artificially created cap they seek to impose on the Allowed amount of Asbestos Claims, as more fully discussed in this Objection.</li> </ul> |
| 2.4.1<br>"Asbestos Personal Injury Litigation" | <p>In the last sentence of this section, the Debtors assert that they "believe that the Asbestos Trust Assets, when administered in a manner consistent with the TDPs, will be sufficient to satisfy all legitimate Asbestos PI Claims." However, the Debtors fail to</p>  |

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|  | provide any basis for their "belief." Moreover, the Debtors omit any discussion or comparison of the purported value of PI Claims under the relevant proposed TDPs and the estimate of such Claims in the tort system.   |
| 2.4.2<br>"Asbestos Property Damage Litigation"             | This section fails to disclose that of the eight asbestos property damage lawsuits that were pending as of the Petition Date, certain of them were class actions, involving thousands of buildings around the nation. The Debtors should be required to describe, with specificity, the nature and extent of the class action lawsuits, including the status of each case.   |
| 2.4.3<br>"Litigation Related to Zonolite Attic Insulation" | This section fails to disclose any information regarding the status of the ZAI class action lawsuits. The Debtors should be required to describe, with specificity, the nature and extent of the class action lawsuits, including the status of each case.   |
| 2.5.1.3<br>"The Settling Federal Agencies' Consent Decree" | <ul style="list-style-type: none"> <li>• In describing the contemplated Consent Decree between the Debtors and the Settling Federal Agencies, the Debtors state that the Consent Decree would settle "various claims" that the Settling Federal Agencies "have asserted against the Debtors with respect to certain costs incurred or to be incurred by the Settling Federal Agencies in the course of responding to releases and threats of releases of hazardous substances into the environment for approximately 35</li> </ul> |

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|  | <p>sites."</p> <ul style="list-style-type: none"> <li>• However, the Debtors fail to disclose which sites are at issue with respect to the Consent Decree. Moreover, as it is uncertain whether an agreement will be reached with the Settling Federal Agencies, the Debtors fail to disclose the range of possibilities of their exposure in the event an agreement is not reached. Considering the magnitude of the Debtors' historical environmental liabilities, it is critical for the Debtors to inform their creditors of the potential liability for environmental contamination at these sites.</li> </ul>   |
| <p>2.5.1.6</p> <p>"Environmental Insurance Litigation"</p> | <p>This section states that the Debtors were a party to three environmental insurance coverage actions as of the Petition Date, all of which have been stayed as a result of the bankruptcy filing. The Debtors fail to disclose the amount of potential coverage available, what types of environmental claims are covered by such insurance policies, and the range of possible outcomes of the litigation. Given the breadth and scope of the environmental issues facing the Debtors, and their potential impact on the Reorganized Debtors because of their "pass-through" nature under the Plan, it is essential that this information be provided.</p> |
| <p>2.5.2</p> <p>"Fraudulent Transfer Litigation"</p>       | <ul style="list-style-type: none"> <li>• In this section, the Debtors summarily describe the fraudulent transfer lawsuits brought by the PD Committee</li> </ul>  |

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|                | <p>and the PI Committee against Sealed Air and Fresenius. Significantly, however, this section omits the potential ramifications of the Debtors' objections to the Sealed Air Settlement Agreement if sustained.</p> <ul style="list-style-type: none"> <li>○ First, the Debtors intervened in the Sealed Air litigation <i>as a defendant</i> and opposed the Asbestos Committees in seeking to recover on account of the fraudulent transfer. Second, after the lawsuit was settled and the Asbestos Committees and Sealed Air extensively negotiated the terms of a Settlement Agreement that would bring in excess of \$1 billion into the Debtors' estates, the Debtors refused to become a party to the Settlement Agreement.</li> <li>○ The Sealed Air Payment is the linchpin to funding the Asbestos Trust under the Plan. Indeed, under the Plan, the Debtors need not make the Debtors' Payment to the Asbestos Trust if the amount of the Asbestos Trust Aggregate Fund does not exceed the Sealed Air Payment. It defies credulity that the Debtors would oppose a settlement, without which, the Plan is patently unfeasible.</li> <li>○ The Debtors should be required to describe the</li> </ul> |

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|                | <p>impact on the Plan if the Court does not approve the Sealed Air Settlement Agreement in its current form and Sealed Air does not agree to a reformulated settlement. Under that scenario, it is clear that <i>the Plan cannot be confirmed</i> and the Debtors should be required to include that possibility in its description of the litigation.</p> <ul style="list-style-type: none"> <li>○ Moreover, the description of the Debtors' objections to the terms of the Sealed Air Settlement Agreement simply overstates their grounds for objecting. The Debtors state the terms of the Agreement would "expos[e] the Debtors to potentially significant penalties and the Debtors' management to potential personal and criminal liability." However, the Debtors misunderstand the terms of the Settlement Agreement, as there was no complicity amongst the settling parties to cause the Debtors to commit unlawful acts. Indeed, neither of two bullet point arguments set forth by the Debtors suggests any unlawful acts that the Settlement Agreement, if approved, would cause the Debtors to commit.</li> </ul> |



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|                | <ul style="list-style-type: none"> <li>• In addition, the Disclosure Statement fails to disclose material inconsistencies between the Sealed Air Settlement Agreement and the Plan, including:</li> <li>• <u>Proper Payor</u> <ul style="list-style-type: none"> <li>○ The payor required by the Sealed Air Settlement Agreement is different than the payor under the Proposed Plan. Section 7.2.2. of the Plan provides that "Sealed Air shall fund the Sealed Air Payment . . . ." Paragraph 170 of the Glossary of Defined Terms defines Sealed Air as "Sealed Air Corporation and Cryovac, Inc." The Sealed Air Settlement Agreement, however, specifically provides that only <i>Cryovac, Inc.</i> shall make the Sealed Air Settlement Payment and that Sealed Air Corporation shall guarantee the performance of the obligation of Cryovac, Inc. to make such payment. Further, paragraph II(c) of the Sealed Air Settlement Agreement provides that the obligation of <i>Cryovac, Inc.</i> to make the payment is conditioned upon the happening of all of the events enumerated in that paragraph. The Disclosure Statement does not disclose these significant</li> </ul> </li> </ul> |

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|                | <p>inconsistencies between the terms of the Proposed Plan and the Sealed Air Settlement Agreement.</p> <ul style="list-style-type: none"> <li>○ The channeling injunction under the Plan conflicts with the requirements of the Sealed Air Settlement Agreement. Various subparagraphs of paragraph II(c) of the Sealed Air Settlement Agreement require the establishment and continuation of section 524(g) trusts, and the receipt by the Sealed Air Companies of "the full benefit of an injunction under sections 524(g) and 105(a) of the Bankruptcy Code." (Paragraph II(c)(vi); <i>see also</i> II(c)(viii), (ix), (x), (xi).) Although the Disclosure Statement appears to describe injunctive relief that comports with the requirements of the Sealed Air Settlement Agreement (<i>see, e.g.,</i> Disclosure Statement paragraph 4.8.2), the Debtors' Glossary of Defined Terms, at paragraph 7, defines "Asbestos Channeling Injunction" as the "order(s) entered or affirmed by the District Court, in accordance with and pursuant to Bankruptcy Code §§ 524(g), 105(a) and/or 1141 <i>or otherwise</i> . . . ." (emphasis added). The use of the disjunctive term "or" in the</li> </ul> |

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|                | <p>definition creates the possibility that Debtors may seek an Asbestos Channeling Injunction that is not grounded in sections 524(g) <i>and</i> 105(a) of the Bankruptcy Code. The Disclosure Statement does not disclose this significant inconsistency between the Plan and the Sealed Air Settlement Agreement.</p> <ul style="list-style-type: none"> <li>• <u>Unilateral Right to Ignore Terms of Settlement Agreement</u> <ul style="list-style-type: none"> <li>○ In the last paragraph of Section 11.6 of the Plan, the Debtors and Reorganized Debtors reserve to themselves, unilaterally, the right to take positions inconsistent with the Sealed Air Settlement Agreement if they "reasonably believe in their professional judgment that the taking of such action or the failure to take an action would expose the Debtors or the Reorganized Debtors to potential civil or criminal liability." Stated otherwise, with the Plan, the Debtors would not bind themselves to the provisions of paragraphs VI(h), (i), (j), (k), and (l) of the Sealed Air Settlement Agreement. Even if Debtors were to argue that the Plan somehow provides for an assumption by them of such provisions, any such assumption would be illusory.</li> </ul> </li> </ul> |

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|                | <p>The Disclosure Statement fails to disclose this inconsistency between the Proposed Plan and the Sealed Air Settlement Agreement.</p> <ul style="list-style-type: none"> <li>• Debtors' Consent to Settlement Agreement is Illusory <u>Because of Unilateral Right to Withdraw</u> <ul style="list-style-type: none"> <li>○ The first paragraph of Section 11.6 of the Plan provides, <i>inter alia</i>, that Debtors, Reorganized Debtors, and the Asbestos Trust shall treat the Sealed Air Settlement Payment as an ordinary and necessary expense of the Sealed Air Companies. Section 11.6 further (a) prohibits Debtors, Reorganized Debtors, and the Asbestos Trust from taking any "Defined Actions" (as that term is defined in paragraph I(dd) of the Sealed Air Settlement Agreement) that are inconsistent with the Sealed Air Settlement Agreement and (b) requires them to take all "Defined Actions" reasonably requested by the Sealed Air Companies, subject to certain conditions. The first paragraph of Section 11.6 also provides that tax returns of Debtors, Reorganized Debtors, and the Asbestos Trust are required to be consistent with the Sealed Air Settlement Agreement and Debtors are required</li> </ul> </li> </ul> |

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|                | <p>to use their best efforts to "structure the transactions contemplated by the Sealed Air Settlement Agreement to achieve favorable tax treatment to . . . Sealed Air."</p> <ul style="list-style-type: none"> <li>○ The second paragraph of Section 11.6 of the Plan in substance requires Debtors, Reorganized Debtors, and the Asbestos Trust to notify the Sealed Air Companies promptly of any notice of a threatened or pending challenge by any tax authority to the foregoing tax treatment, and entitles the Sealed Air Companies to participate in any such challenge.</li> <li>○ The third paragraph of Section 11.6 of the Plan requires Debtors to account in their books and records for the liabilities satisfied by the Sealed Air Settlement Payment and the transfer of such payment to the Asbestos Trust in a manner consistent with the Sealed Air Settlement Agreement.</li> <li>○ The foregoing provisions, on their face, appear to be consistent with paragraph VI of the Sealed Air Settlement Agreement (<i>see, e.g.</i>, paragraphs VI(b) and (g) regarding tax and financial reporting; VI(c)</li> </ul> |

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|                | <p>regarding tax controversies; and VI(e) regarding financial reporting).</p> <ul style="list-style-type: none"> <li>○ The Disclosure Statement, however, fails to disclose that the foregoing provisions in the Plan are illusory because, as noted above, in the last paragraph of Section 11.6 of the Plan, Debtors and Reorganized Debtors give themselves the unilateral right to take positions inconsistent with the Sealed Air Settlement Agreement – the last sentence of Section 11.6 is a term that Debtors tried, unsuccessfully, to negotiate into the Sealed Air Settlement Agreement before it was finalized.</li> <li>○ The Disclosure Statement also fails to disclose that the Sealed Air Settlement Agreement already provides an objective standard for protecting Debtors and Reorganized Debtors if a tax and reporting obligation issue arises in connection with the transactions required by the Sealed Air Settlement Agreement. For example, if Debtors were to notify Sealed Air that they did not agree that the Sealed Air Settlement Payment constituted an ordinary and necessary expense of Cryovac, Inc.,</li> </ul> |

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|                | <p>then Debtors would not have to treat the Sealed Air Settlement Payment in the manner required in the Sealed Air Settlement Agreement unless Sealed Air delivered a tax opinion, addressed to Debtors from a nationally recognized law firm (or similar writing from a nationally recognized accounting firm, in the case of financial reporting issues), to the effect that there is "substantial authority" for the position that Debtors and Reorganized Debtors are obligated to undertake (or, in the case of a financial reporting matter, "not inconsistent with generally accepted accounting principles").<sup>11</sup> See Sealed Air Settlement Agreement, paragraph VI(b) (first and second sentences).</p> <ul style="list-style-type: none"> <li>○ Additionally, the Disclosure Statement fails to disclose that the Sealed Air Settlement Agreement includes a provision requiring Debtors to raise tax and reporting issues with Sealed Air <i>prior to</i> incurring the expense of obtaining a legal opinion or other written advice. See Sealed Air Settlement Agreement, paragraph VI(f). In other words, the</li> </ul> |

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<sup>11</sup> "Substantial authority" is the standard that generally avoids the imposition of penalties for federal income tax purposes.

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|   | <p>Sealed Air Settlement Agreement contemplates that Debtors and Sealed Air will consult with each other in order to avoid any unnecessary misunderstandings and to avoid, to the extent possible, the "dueling experts" problem that sometimes arises in these situations.</p> <ul style="list-style-type: none"> <li>○ Thus, the Disclosure Statement fails to disclose (a) the illusory nature of Debtors' consent to consistency, (b) that the approach they now proffer was previously rejected by the Sealed Air Companies, (c) that the Sealed Air Settlement Agreement provides a typical and objective standard for releasing Debtors from their obligations under that agreement, and (d) that Debtors' unilateral subjective approach is inconsistent with the Sealed Air Settlement Agreement.</li> </ul> |
| <p>2.5.3.2.4</p> <p>"State Income Tax Claims"</p> | <p>This section provides that the Debtors are subject of "significant" state income tax Claims, and that the Debtors believe such Claims "can and should" be resolved for significantly less than the amount claimed. However, the Debtors fail to include the amounts claimed, a range of possible settlement values and a time frame for</p>  |



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|  | <p>when they believe the Claims can be resolved. Similar to the environmental liabilities, as these Claims are to be "passed-through" under the Plan, if these Claims are significant, they could materially impact the Reorganized Debtors.</p>  |
| <p>2.7.2.4</p> <p>"Estimated Insurance Recoveries"</p> | <ul style="list-style-type: none"> <li>• This section, to the extent it can be understood, utterly fails to describe the impact to holders of Asbestos Claims with respect to the Debtors' asbestos related insurance and what the Plan seeks to force them to forego. The section assumes an unwarranted level of knowledge and sophistication about insurance matters that goes well beyond the knowledge level of a hypothetical reasonable investor. Indeed, a closer analysis reveals that the Debtors' are attempting to make an "<i>insurance play</i>" which must be fully disclosed to creditors.</li> <li>• The Debtors describe that <u>they</u> will receive approximately \$500 million from settled and solvent unsettled insurers if the Asbestos Trust Aggregate Fund "is determined by the Court to be the maximum amount permitted under the Plan." Thus, under the mechanics of the Plan, the Debtors themselves will receive the proceeds of their insurance policies for payment of Asbestos Claims---which proceeds <i>will not be contributed to the Asbestos Trust</i>. Moreover, it</li> </ul> |

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|  | <p>appears, although it is not clear due to the lack of disclosure, that the Debtors will seek to recover these insurance proceeds by claiming that the Sealed Air Payment is a payment by the Debtors on account of asbestos liabilities, which entitles them to recover from the insurers.</p> <ul style="list-style-type: none"> <li>• In addition, the Debtors fail to disclose what they intend to do with the insurance proceeds after they are recovered. Given that the Debtors are seeking to reap the rewards of the Sealed Air Payment for their own and sole benefit, they should be forced to disclose what they intend to do with the proceeds.</li> </ul> |
| <p>2.7.3.1</p> <p>"Preservation of Causes of Action"</p>                                       | <p>This section repeatedly refers to Exhibit 11 of the Exhibit Book for a description of the potential causes of action. However, Exhibit 11 has not been filed yet with the Court. The PD Committee reserves its right to supplement this Objection upon the filing of Exhibit 11.</p>  |
| <p>2.8.1</p> <p>"Core Business Value of the Reorganized Debtors and Non-Debtor Affiliates"</p> | <p>The PD Committee does not take issue with the disclosures made in this section and accompanying sections 2.8.1.1 and 2.8.1.2; however, the PD Committee reserves the right to contest the Core Business Value calculated by the Debtors and to present its own valuation with respect to the Core Business Value. The Disclosure</p>  |

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|   | Statement should therefore note that the Debtors' valuation is subject to dispute.   |
| <p>3.2.8.3</p> <p>"Montana Grand Jury Investigation"</p>        | <ul style="list-style-type: none"> <li>• This section needs to be updated to include the results of the November 15, 2004 hearing, at which the Court limited the relief sought by the Debtors to obtain approval to pay legal fees and expenses of certain current and former officers and directors in connection with the investigation.</li> <li>• In addition, on November 26, 2004, Grace filed an 8-K Statement with the United States Securities &amp; Exchange Commission, wherein they stated, "Grace understands that the investigation is at an advanced stage and that it is likely to be indicted during the first quarter of 2005, unless a resolution of this matter can be reached with the government within such timeframe." By now, the Debtors should have had an opportunity to perform a preliminary analysis, at least, of the subject matter of the investigation, and should be required to revise the Disclosure Statement to explain the findings of such review.</li> </ul> |
| <p>3.2.9</p> <p>"Motion for Entry of Case Management Order"</p> | On November 24, 2004, after the filing of the Disclosure Statement, the Debtors filed their Motion Requesting the United States District Court for the District of Delaware to Refer Jurisdiction for Certain Matters to the Bankruptcy Court. As a  |

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|  | result, this section must be updated to include the potential impact of a ruling on that motion.   |
| 3.3<br><br>"The Canadian Proceedings"          | <ul style="list-style-type: none"> <li>• This section inadequately describes the effect of the Canadian proceedings on the Debtors' cases in this Court. For example, it is unclear whether Canadian claims will ultimately be subject to allowance and payment in the United States.</li> <li>• In addition, there is no discussion regarding the magnitude of Grace's potential liability for Canadian claims, nor a description of which United States Debtors may be liable for such claims.</li> </ul>  |
| 4.3.1.5<br><br>"Class 5 – Intercompany Claims" | The second sentence of this section is a <i>non sequitor</i> . In addition, this section fails to explain the interplay of the payment of Intercompany Claims and the "limited substantive consolidation" of the Debtors for purposes of payments under the Plan. As the Court is well aware, ordinarily in the context of substantive consolidation, intercompany claims are usually expunged or, in rare cases, deeply subordinated. Neither is to occur under the Plan, but the Debtors fail to explain any basis for allowing the Intercompany Claims to survive or disclose the extent of such Claims on an estate by estate basis. |
| 4.3.1.6<br><br>"Class 6 –                      | In the last sentence of the first paragraph of this section, the   |

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| Asbestos PI-SE Claims"                           | Debtors' reference to an "amount asserted" by a Holder of an Asbestos PI-SE Claim is confusing and misleading, as it is not clear that such Holder has an obligation to assert a specific amount and there is no description of the vehicle by which such Holder would make such assertion.  |
| 4.3.1.7<br><br>"Class 7 – Asbestos PI-AO Claims" | <ul style="list-style-type: none"> <li>• Preserving all objections to confirmation of the Plan that arise from the proposed treatment of Asbestos Claims, it is worth observing that, in the case of Asbestos AI-PO Claims, the Plan provides that the liability for such Claims shall be passed to and assumed by the Asbestos Trust, but that the Reorganized Debtors shall retain full control over the determination of such Claims. However, this section of the Disclosure Statement fails to clearly identify those facts, which makes the section incomplete and misleading.</li> <li>• In addition, similar to section 4.3.1.6, in the last sentence of the first paragraph of this section, the Debtors' reference to an "amount asserted" by a Holder of an Asbestos PI-AO Claim is confusing and misleading, as it is not clear that such Holder has an obligation to assert a specific amount and there is no description of the vehicle by which such Holder would make such assertion.</li> </ul> |
| 4.3.1.8<br><br>"Class 8 –                        | <ul style="list-style-type: none"> <li>• This section obliquely states that the amount of Asbestos</li> </ul>  |

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| Asbestos PD Claims"   | <p>PD Claims shall be determined by the Bankruptcy Court pursuant to the Estimation Motion. It is patently clear that the Estimation Motion, although filed as a separate document, is an integral and fundamental requirement to the approval of the Plan. Thus, the Debtors should be required to provide adequate information with respect to the steps they intend to take to estimate the amount of Asbestos PD Claims (and all other Asbestos Claims, as well). The Debtors cannot simply exclude the specifics of estimation from the Plan and refer the reader to a separately filed motion.<sup>12</sup></p> <ul style="list-style-type: none"> <li>• The Debtors fail to include a range of the size of the Asbestos Trust Expenses Fund. The amount necessary for this Fund is included in the artificially capped Asbestos Trust Aggregate Fund, thereby diminishing the amount of money actually available to fund Asbestos Claims. As a result, the Debtors should be required to disclose an estimate of the magnitude of the Asbestos Trust Expenses Fund.</li> <li>• Moreover, the Debtors fail to disclose what will happen if</li> </ul> |

<sup>12</sup> In addition to the Estimation Motion, the Debtors also filed the CMO Motion and the Procedures Motion. Indisputably, each of these Motions is critical to the Plan and confirmation of the Plan. As such, the Debtors should be required to adequately disclose and explain the Confirmation Motions in the Disclosure Statement.

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|   | <p>the actual amount of Asbestos Trust Expenses exceed the estimated amount of such Expenses. The Debtors should be required to disclose the effect on the Asbestos Trust in the event of such an occurrence.</p>  |
| <p>4.3.1.9<br/>"Class 9 – General Unsecured Claims"</p>                 | <ul style="list-style-type: none"> <li>• Pursuant to the Plan, Holders of General Unsecured Claims shall receive payment in full of the Allowed amount of their Claims, <u>plus</u> post-petition interest in certain cases. The payment shall be made 85 percent in cash and 15 percent in Parent Common Stock.</li> <li>• This section fails to disclose why, despite receiving cash and stock purporting to provide a 100 percent distribution, plus interest, such Claims are considered to be impaired, while Asbestos Claims are considered to be unimpaired.</li> </ul>         |
| <p>4.7.1<br/>"Corporate Governance of the Parent and Other Debtors"</p> | <ul style="list-style-type: none"> <li>• This section fails to adequately disclose the amendments to the respective Articles of Incorporation and Certificates of Incorporation for each of the Debtors that will be made as of the Effective Date. This section includes only an abbreviated list of provisions to be included in the respective corporate charters. Given the importance of the Parent Common Stock in funding the Debtors' obligations under the Plan, it is necessary for the Debtors to disclose (in the Plan, as well as in the Disclosure Statement)</li> </ul> |

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|  | <p><i>everything</i> they propose to do in respect of the Parent Common Stock after the Effective Date. Accordingly, the Debtors should be required to include a draft of the proposed amended charter for the Parent, at a minimum.</p> <ul style="list-style-type: none"> <li>• In addition, this section fails to disclose any of the proposed amendments to the Parent's by-laws and the purchase of D&amp;O and fiduciary liability tail coverage under the Plan. The section only provides that "Section 7.1 of the Plan" deals with such amendments. Obviously, these are critical issues under the Plan and, thus, must be adequately disclosed in the Disclosure Statement and cannot just be cross-referenced to the Plan.</li> </ul> |
| <p>4.7.2</p> <p>"The Asbestos Trust"</p> | <ul style="list-style-type: none"> <li>• In describing the funding of the Asbestos Trust, the Debtors state that "[t]he Sealed Air Payment and that portion of the Debtors' Payment consisting of the Parent Common Stock, to the extent necessary, shall first fund the Asbestos PI-SE Class Fund, the Asbestos PD Class Fund and the Asbestos Trust Expenses Fund." <ul style="list-style-type: none"> <li>○ However, the Debtors fail to disclose how the Sealed Air Payment - - which is comprised of both common stock in Sealed Air Corporation and cash - - will be allocated to the various Funds in the</li> </ul> </li> </ul>   |



| <u>Section</u> | <u>Mischaracterization/Omission/Objection</u>  |
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|                | <p>Asbestos Trust and who will make such allocation.</p> <p>This is a critical omission from the Disclosure Statement, as the Plan seeks to channel the recovery for all Asbestos Claims to the Asbestos Trust and there are significant timing distinctions between the processing and payment of PD Claims and PI Claims.</p> <ul style="list-style-type: none"> <li>• In addition, the Debtors refer in this section to Sections 7.2.3 through 7.2.9 of the Plan "solely by bullet points." These Sections of the Plan address, among things, (i) the transfer of assets into the Asbestos Trust, (ii) transfer of Claims and Demands to the Asbestos Trust, (iii) creation of Asbestos Trust sub-accounts, (iv) appointment and termination of Trustees, (v) creation and termination of TAC, (vi) the cooperation agreement between the Reorganized Debtors and the Asbestos Trust, and (vii) the Reorganized Debtors' sole right and authority to resolve Asbestos PI-AO Claims for which the Holder of such Asbestos PI-AO Claim elects the Litigation Option. <ul style="list-style-type: none"> <li>○ It is clearly evident that these Sections of the Plan are centerpieces to the <u>entire</u> Plan. The Debtors cannot simply list - - in "bullet point" fashion - -</li> </ul> </li> </ul> |

| <u>Section</u>                | <u>Mischaracterization/Omission/Objection</u>  |
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|                               | <p>that these critical components of the Plan are dealt with in the enumerated Sections of the Plan, without providing adequate information how each issue is being treated.</p> <ul style="list-style-type: none"> <li>○ For example, one of the matters listed in this section of the Disclosure Statement is the "cooperation agreement" between the Reorganized Debtors and the Asbestos Trust. However, there is absolutely no further discussion regarding such a material agreement. Therefore, the lack of disclosure makes it impossible for a creditor to determine, among other things, the rights and duties to be shared by each party under the agreement, the length of the agreement and any financial terms of the agreement. Similar complaints exist for each of the other Plan Sections that are simply "incorporated" by bullet point into the Disclosure Statement.</li> </ul> |
| <p>4.9</p> <p>"Contracts"</p> | <p>This section, in its entirety, provides "Article 9 of the Plan sets forth provisions dealing with executory contracts, unexpired leases, letters of credit, surety bonds, guaranties, and certain indemnity agreements." Again, the Debtors cannot be permitted to</p>  |

| <b><u>Section</u></b>                          | <b><u>Mischaracterization/Omission/Objection</u></b>  |
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|  | <p>simply list the topic that a particular Section of the Plan addresses.</p> <p>The Debtors must adequately disclose these Plan provisions in the Disclosure Statement.</p>  |
| <p>4.10</p> <p>"Retention of Jurisdiction"</p> | <p>This section should be supplemented to include that under the terms of the Plan and section 524(g) of the Bankruptcy Code, the District Court retains exclusive jurisdiction over any proceeding that involves the validity, application, construction or modification of the 524(g) channeling injunction that may be issued.</p>   |
| <p>4.11</p> <p>"Miscellaneous Provisions"</p>  | <ul style="list-style-type: none"> <li>• In describing Section 11.3.2 of the Plan (Preservation of Causes of Action), the Debtors maintain that the potential causes of action currently being investigated by the Debtors "are described more fully in this Disclosure Statement." This particular disclosure would be adequate if it were true; however, as explained above in our objection to section 2.7.3.1 of the Disclosure Statement, the Debtors have not sufficiently disclosed the potential causes of action.</li> <li>• The description of Section 11.9 of the Plan (Title to Assets; Discharge of Liabilities) is internally inconsistent and, therefore, misleading. The Plan and Disclosure Statement, in many different instances, refer to the fact that the Reorganized Debtors will retain an interest in prosecuting</li> </ul> |

| <u>Section</u>                                   | <u>Mischaracterization/Omission/Objection</u>   |
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|  | objections to Asbestos PI-AO Claims.  |
| 7.1<br><br>"Bankruptcy Code §1129 Generally"     | The last paragraph of this section provides that "[t]he Debtors believe that the Plan satisfies all of the statutory requirements of Bankruptcy Code §§ 1129 and 524(g)," without explaining how the Plan actually meets those requirements. However, as explained elsewhere in this Objection, the PD Committee submits that the Plan on its face is patently unconfirmable under sections 524(g) and 1129 of the Bankruptcy Code.                               |
| 7.2<br><br>"Votes Required for Class Acceptance" | In this section, the Debtors correctly point out that section 524(g)(2)(B)(IV)(bb) requires that any separate class or classes of the claimants whose claims are to be addressed by the Asbestos Trust <i>must vote</i> , by at least 75 percent of those voting, in favor of the Plan. However, the Debtors fail to explain how they can achieve this mandatory vote when the Plan does not permit Holders of Asbestos Claims to vote on the Plan. <sup>13</sup> |
| 7.2.1<br><br>"Cramdown"                          | In the last paragraph of this section, the Debtors reserve the right to seek "cramdown" of the Plan under section 1129(b). This section should be amended to indicate that if the Debtors are unsuccessful in achieving a 75 percent vote in favor of the Plan by each class of Holders of Asbestos Claims treated by the Asbestos Trust, the Debtors cannot "cramdown" the requirements of section   |

<sup>13</sup> A fuller discussion regarding the fatal infirmities of the Plan with respect to the proposed treatment of Holders of Asbestos Claims as unimpaired and the attempt to disenfranchise them from voting on the Plan is provided elsewhere in this Objection.

| <u><b>Section</b></u> | <u><b>Mischaracterization/Omission/Objection</b></u>  |
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|                       | <p>524(g) upon the Holders of Asbestos Claims and, thus, the Debtors would not receive a 524(g) injunction and the Plan as constituted would be unconfirmable.<sup>14</sup></p> |