

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA
PITTSBURGH DIVISION

In re:

Chapter 11

MID-VALLEY, INC., DII INDUSTRIES, LLC,
KELLOGG BROWN & ROOT, INC., KBR
TECHNICAL SERVICES, INC., KELLOGG
BROWN & ROOT ENGINEERING
CORPORATION, KELLOGG BROWN &
ROOT INTERNATIONAL, INC. (A
DELAWARE CORPORATION), KELLOGG
BROWN & ROOT INTERNATIONAL, INC. (A
PANAMANIAN CORPORATION), AND BPM
MINERALS, LLC,

Case No. 03-35592-JKF

(Jointly Administered)

Docket No. _____

Related to Docket No. _____

Debtors.

**POST-CONFIRMATION AMENDMENT TO FOURTH AMENDED AND RESTATED
JOINT PREPACKAGED PLAN OF REORGANIZATION FOR MID-VALLEY, INC.,
DII INDUSTRIES, LLC, KELLOGG BROWN & ROOT, INC., KBR TECHNICAL
SERVICES, INC., KELLOGG BROWN & ROOT ENGINEERING CORPORATION,
KELLOGG BROWN & ROOT INTERNATIONAL, INC. (A DELAWARE
CORPORATION), KELLOGG BROWN & ROOT INTERNATIONAL, INC. (A
PANAMANIAN CORPORATION), AND BPM MINERALS, LLC UNDER CHAPTER 11
OF THE UNITED STATES BANKRUPTCY CODE (AS AMENDED)**

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Counsel for the Debtors

Dated: November 5, 2004

The Debtors respectfully file this Post-Confirmation Amendment to the Fourth Amended and Restated Joint Prepackaged Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (as Amended) (the "Amendment"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Uniform Glossary of Defined Terms for Plan Documents filed of record with the Clerk of the Court on May 17, 2004.

Plan

1. Article 12.2 of the Plan is deleted in its entirety and replaced with the following:

12.2. Disputes Regarding Qualification of Settled Claimants. Any dispute regarding whether a holder of a Settled PI Trust Claim has satisfied all conditions for payment under the applicable Asbestos/Silica PI Trust Claimant Settlement Agreement shall be resolved between the Claimant and the Debtors or Reorganized Debtors pursuant to the alternative dispute resolution provisions of the applicable Asbestos/Silica PI Trust Settlement Agreement or, if there are no such provisions, then by the Bankruptcy Court. Under no circumstances shall the Asbestos PI Trust or the Silica PI Trust, as the case may be, be responsible for payment of any Settled PI Trust Claim that has not first been determined to be a Qualifying Settled PI Trust Claim in accordance with such provisions. Notwithstanding anything to the contrary in an Asbestos/Silica PI Trust Claimant Settlement Agreement or otherwise applicable law, no holder of a Settled PI Trust Claim shall be entitled to dispute disqualification of such holder's Claim unless such holder (a) has notified the Debtors by the Notification Date of such holder's intent (x) to initiate alternative dispute resolution pursuant to the terms of the applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, or, in the absence of such provisions, (y) to seek a determination from the Bankruptcy Court, and (b) has commenced such alternative dispute resolution or sought such Bankruptcy Court determination not later than six months after such holder has been given final notification by the Debtors that the holder's Claim has been determined not to satisfy the medical criteria for payment under the applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.

2. The Plan is amended to add Exhibit 22, the Escrow Agreement, attached hereto as Schedule 7.

Glossary

3. The Glossary filed of record with the Court on May 17, 2004 is deleted in its entirety and replaced with the exhibit attached as Schedule 1.
4. Schedule 2 contains a blackline reflecting changes made to the Glossary.

Asbestos PI Trust Funding Agreement

5. The Asbestos PI Trust Funding Agreement attached as Exhibit 8 to the Debtors' Fourth Amended and Restated Joint Prepackaged Plan of Reorganization Under

Chapter 11 of the Bankruptcy Code is deleted in its entirety and replace with the exhibit attached as Schedule 3.

6. Schedule 4 contains a blackline reflecting changes made to the Asbestos PI Trust Funding Agreement.

Silica PI Trust Funding Agreement

7. The Silica PI Trust Funding Agreement attached as Exhibit 14 to the Debtors' Fourth Amended and Restated Joint Prepackaged Plan of Reorganization Under Chapter 11 of the Bankruptcy Code is deleted in its entirety and replaced with the exhibit attached a Schedule 5.
8. Schedule 6 contains a blackline reflecting changes being made to the Silica PI Trust Funding Agreement.
9. Except as amended herein, all other terms and provisions of the Plan and Plan Documents remain unmodified

Dated: November 5, 2004

MID-VALLEY, INC.,
a Pennsylvania corporation

By: /s/ Andrew R. Lane
Andrew R. Lane
President

DII INDUSTRIES, LLC,
a Delaware limited liability company

By: /s/ Andrew R. Lane
Andrew R. Lane
President

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

By: /s/ Andrew R. Lane
Andrew R. Lane
President

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

By: /s/ Andrew R. Lane
Andrew R. Lane
President

KELLOGG BROWN & ROOT
ENGINEERING CORPORATION,
a New York corporation

By: /s/ Robert Austin Reeves
Robert Austin Reeves
President

KELLOGG BROWN & ROOT
INTERNATIONAL, INC.,
a Delaware corporation

By: /s/ Andrew R. Lane
Andrew R. Lane
President

KELLOGG BROWN & ROOT
INTERNATIONAL, INC.,
a Panamanian corporation

By: /s/ Andrew R. Lane

Andrew R. Lane
President

BPM MINERALS, LLC,
a New Jersey limited liability company

By: /s/ Andrew R. Lane

Andrew R. Lane
President

Schedule 1

Amended Glossary

AMENDED DISCLOSURE STATEMENT EXHIBIT A

Uniform Glossary of Defined Terms for Plan Documents

(November 5, 2004)

**[This document is the definitive glossary for the Debtors' Fourth Amended and Restated
Joint Prepackaged Plan of Reorganization Under Chapter 11 of the
United States Bankruptcy Code filed on May 17, 2004 (as Amended).
This document supersedes the glossary filed on May 17, 2004]**

Unless the context otherwise requires, the following terms, when used in initially capitalized form in the Disclosure Statement, related exhibits, and Plan Documents, shall have the following meanings. Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term by the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the event of a conflict or ambiguity). The rules of construction set forth herein and in section 102 of the Bankruptcy Code shall apply. All references to the “Plan” shall be construed, where applicable, to include references to the Plan and all its exhibits, appendices, schedules, and annexes (and any amendments made in accordance with their terms or applicable law).

Glossary of Terms

1. “346 Injunction” means the injunction set forth in article 10.5 of the Plan.
2. “1999 Indenture” means the General Indenture of Conveyance, Transfer and Assignment and Assumption of Obligations, effective as of January 31, 1999, between Dresser Industries and HESI, pursuant to which Dresser Industries contributed certain of its assets to HESI and HESI assumed certain obligations of Dresser Industries.
3. “Administrative Claim” means any Claim for the payment of an Administrative Expense.
4. “Administrative Claims Bar Date” means the date established in article 13.11 of the Plan or such other date as may be fixed by order of the Bankruptcy Court.
5. “Administrative Expense” means (a) any cost or expense of administration related to the Reorganization Cases allowable under section 503(b) of the Bankruptcy Code including, without limitation, (i) any actual and necessary postpetition cost or expense of preserving the Estates or operating the businesses of the Debtors, (ii) any payment required to cure a default on an assumed executory contract or unexpired lease, (iii) any postpetition cost, indebtedness, or contractual obligation duly and validly incurred or assumed by a Debtor in the ordinary course of its business, and (iv) compensation or reimbursement of expenses of professionals to the extent allowed by the Bankruptcy Court under sections 330(a) or 331 of the Bankruptcy Code and (b) any fee or charge assessed against the Estates under 28 U.S.C. § 1930.
6. “Affiliate” means, with respect to a particular Person, a Person (a) who directly or indirectly owns, controls, or holds more than 20% of the voting securities of the first Person (other than a Person who holds such securities (i) in a fiduciary or agency capacity without sole discretionary power to vote such securities or (ii) solely to secure a debt, if such Person has not in fact exercised such power to vote), (b) 20% of whose voting securities are owned, controlled, or held by the first Person or by a Person described in subclause (a), or (c) who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, the first Person. For purposes of this definition, a Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract, or otherwise.
7. “Aggregate Settled Claims Cap” means \$2,775,000,000.00.
8. “Allowed” means, with respect to any Claim (other than an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim) or Interest, (a) any Claim or Interest, proof of which was timely filed with the Bankruptcy Court or its duly appointed claims agent, or, by order of the Bankruptcy Court, was not required to be filed, (b) any Claim or Interest that has been, or hereafter is, listed in the Schedules, if filed, as liquidated in amount and not disputed or contingent, and, in reference to either (a) and (b) above, (i) which has not been disallowed by order of the Bankruptcy Court, (ii) as to which no objection to the allowance thereof has been filed within the applicable period of limitation fixed by the Plan, the

Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (iii) which has been allowed by a Final Order (but only to the extent so allowed).

9. “Allowed Amount” of any Claim means the amount at which that Claim is Allowed.
10. “Asbestos Bonded Claim” means any Asbestos PI Trust Claim relating to a judgment as to which, but only to the extent that, a supersedeas bond or such other similar filing was posted by or on behalf of a Debtor; *provided, however*, the amount of such Asbestos Bonded Claim shall not exceed the amount of judgment as determined by a Final Order or, if an Asbestos Unsecured PI Trust Claim, the Liquidated Amount determined pursuant to the Asbestos TDP.
11. “Asbestos Claimant Settlement Agreement” means an Asbestos/Silica PI Trust Claimant Settlement Agreement that concerns asbestos and is listed on Exhibit 3 to the Plan, as such exhibit may be amended or supplemented from time to time.
12. “Asbestos Committee” means the informal asbestos claimants committee created prior to the Petition Date and, if the context requires, an official asbestos claimants committee appointed in the Reorganization Cases by the United States Trustee.
13. “Asbestos Final Judgment Claim” means an Asbestos Unsecured PI Trust Claim reduced to a liquidated amount prior to the Confirmation Date by a final, nonappealable judgment.
14. “Asbestos PI Trust” means the tax-qualified settlement trust to be established pursuant to the Asbestos PI Trust Agreement.
15. “Asbestos PI Trust Additional Funding Agreement” means the agreement to be executed by the Debtors, Halliburton, and the Halliburton Current Affiliates on the Effective Date, in substantially the form attached as Exhibit 9 to the Plan, providing the Asbestos PI Trust with a right to payment of an amount equal to the amount of the Asbestos PI Trust Insurance Recoveries.
16. “Asbestos PI Trust Agreement” means the DII Industries, LLC Asbestos PI Trust Agreement, effective as of the Effective Date, substantially in the form attached as Exhibit 4 to the Plan, as it may be modified from time to time in accordance with the terms thereof.
17. “Asbestos PI Trust Assets” means (a) the Asbestos PI Trust Funding Agreement, (b) the Asbestos PI Trust Additional Funding Agreement, (c) the Halliburton Asbestos PI Trust Stock, (d) the Asbestos PI Trust Note, (e) the Halliburton Asbestos PI Trust Guarantee, (f) the DII Industries Pledge Agreement, (g) the RHI Asbestos PI Trust Contribution, and (h) the Escrow Agreement, and all income, profits, and proceeds derived from any of the foregoing.
18. “Asbestos PI Trust Bylaws” means the DII Industries, LLC Asbestos PI Trust Bylaws, effective as of the Effective Date, substantially in the form attached as Annex 2 to the Asbestos PI Trust Agreement, as such bylaws may be modified from time to time in accordance with the terms of the Asbestos PI Trust Agreement and the terms thereof.
19. “Asbestos PI Trust Cash Contribution” means the amount of Cash to be funded into the Asbestos PI Trust on behalf of holders of Qualifying Settled Asbestos PI Trust Claims pursuant to the Asbestos PI Trust Funding Agreement.
20. “Asbestos PI Trust Claim” means (a) any Claim or Demand, including a claim for damages, if any, arising from the rejection of an executory contract, whether now existing or hereafter arising or asserted against a Halliburton Entity or a Harbison-Walker Entity, whether under a direct or indirect theory of liability, and/or (b) any debt, obligation, or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed,

contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured, or unsecured), whenever and wherever arising or asserted, whether under a direct or indirect theory of liability, of a Halliburton Entity or a Harbison-Walker Entity (including, without limitation, all debts, obligations, and liabilities in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty, whether under common law or by statute); in either case (a) or (b), for, resulting from, attributable to, or arising by reason of, directly or indirectly, physical, emotional, bodily, or other personal injury or damages (including, without limitation, any Claim or Demand for compensatory damages, loss of consortium, medical monitoring, survivorship, wrongful death, proximate, consequential, general, special or punitive damages, reimbursement, indemnity, warranty, contribution, or subrogation) whether or not diagnosable or manifested before the Confirmation of the Plan or the close of these Reorganization Cases, (x) caused or allegedly caused, in whole or in part, directly or indirectly (i) by asbestos or asbestos-containing products sold, installed, handled, used, specified, made, distributed, or removed by a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable or (ii) by services, actions, or operations provided, completed, performed, or taken with asbestos or asbestos-containing products by or at the direction of a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable, or (y) caused or allegedly caused by asbestos or asbestos-containing products for which a Halliburton Entity or a Harbison-Walker Entity, or other Entity, for which such Halliburton Entity or a Harbison-Walker Entity is or may be liable, is liable under any applicable law or by contract, whether or not arising, or allegedly arising, directly or indirectly from acts or omissions of such Halliburton Entity or a Harbison-Walker Entity, or other Entity for or with which a Halliburton Entity or a Harbison-Walker Entity is or may be liable. Asbestos PI Trust Claims include, without limitation, Asbestos Secured Claims, Asbestos Unsecured PI Trust Claims, Qualifying Settled Asbestos PI Trust Claims, Indirect Asbestos PI Trust Claims, Harbison-Walker Asbestos PI Trust Claims, Asbestos Final Judgment Claims, Asbestos Bonded Claims, and Asbestos PI Trust Expenses. For purposes of this definition, Asbestos PI Trust Claim does not include (i) liability for an Asbestos Property Damage Claim or (ii) any claim by any present or former employee of a Debtor for benefits under a policy of workers' compensation insurance or for benefits under any state or federal workers' compensation statute or other statute providing compensation to an employee from an employer to the extent that such claim is asserted against the Asbestos PI Trust by an individual claimant.

21. "Asbestos PI Trust Claimant" means the holder of an Asbestos Unsecured PI Trust Claim.
22. "Asbestos PI Trust Documents" means the Asbestos PI Trust Agreement, the Asbestos PI Trust Bylaws, the Asbestos TDP, the Asbestos PI Trust Funding Agreement, the Asbestos PI Trust Additional Funding Agreement, the Asbestos PI Trust Indemnification Agreement, and the other agreements, instruments, and documents governing the establishment, administration, and operation of the Asbestos PI Trust, as they may be amended or modified from time to time in accordance with the Plan and the terms of such documents.
23. "Asbestos PI Trust Expenses" means any liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of, the Asbestos PI Trust, except for payments to holders of Asbestos Unsecured PI Trust Claims on account of such Asbestos Unsecured PI Trust Claims.
24. "Asbestos PI Trust Funding Agreement" means the agreement, in substantially the form attached as Exhibit 8 to the Plan, to be entered into on the Effective Date between the Trustees of the Asbestos PI Trust and the Debtors with respect to the Asbestos PI Trust Cash Contribution and the mechanisms and procedures for payment of Qualifying Settled Asbestos PI Trust Claims.
25. "Asbestos PI Trust Indemnification Agreement" means the indemnification agreement attached as Annex 1 to the Asbestos PI Trust Agreement.

26. “Asbestos PI Trust Indemnified Claim” means any claim indemnified in accordance with any Asbestos PI Trust Document.
27. “Asbestos PI Trust Insurance Recoveries” means amounts collected, if any, by the Debtors, Reorganized Debtors, Halliburton, or the Halliburton Current Affiliates after the Petition Date under insurance policies on account of asbestos once the amount of proceeds collected under such policies on account of (a) asbestos and (b) silica liabilities exceeds \$2.3 billion; *provided, however*, that the amount of Asbestos PI Trust Insurance Recoveries shall not exceed \$700 million.
28. “Asbestos PI Trust Note” means the promissory note, in substantially the form attached as Exhibit 5 to the Plan, to be executed by DII Industries and delivered to the Asbestos PI Trust on the Effective Date.
29. “Asbestos Property Damage Claim” means (a) any claim or demand asserted against a Halliburton Entity or a Harbison-Walker Entity and (b) any debt, obligation or liability, whenever and wherever arising or asserted, of a Debtor (including, without limitation, all thereof in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty, whether under common law or by statute); in either case (a) or (b) for, relating to, or arising by reason of, directly or indirectly, property damage relating to asbestos, whether or not arising before the Confirmation of the Plan or the close of these Reorganization Cases, which is not also assertable as an Asbestos PI Trust Claim.
30. “Asbestos Property Damage Claimant” means the holder of an Asbestos Property Damage Claim.
31. “Asbestos Secured Claim” means an Asbestos PI Trust Claim, including an Asbestos Bonded Claim to the extent bonded with property of the Debtors’ Estates, that is also a Secured Claim.
32. “Asbestos TAC” means the Asbestos PI Trust Advisory Committee created pursuant to the Asbestos PI Trust Agreement, as may be reconstituted from time to time in accordance with the terms thereof.
33. “Asbestos TDP” means the trust distribution procedures, substantially in the form attached as Annex 3 to the Asbestos PI Trust Agreement, as such procedures may be modified from time to time in accordance with the terms thereof, the Asbestos PI Trust Agreement, and the Plan.
34. “Asbestos Unsecured PI Trust Claim” means any Asbestos PI Trust Claim except for an Asbestos Secured Claim to the extent such Claim is a Secured Claim.
35. “Asbestos/Silica In-Place Insurance Coverage” means any insurance coverage, not reduced to Cash settlement proceeds, available for the payment or reimbursement of liability, indemnity, or defense costs arising from, or related to, Asbestos PI Trust Claims, Silica PI Trust Claims, Asbestos PI Trust Expenses, or Silica PI Trust Expenses under any Asbestos/Silica Insurance Policy or any Asbestos/Silica Insurance Settlement Agreement.
36. “Asbestos/Silica Insurance Action” means any claim, cause of action, or right of a Debtor or Reorganized Debtor against any Asbestos/Silica Insurance Company concerning insurance coverage for Asbestos PI Trust Claims or Silica PI Trust Claims arising from or related to (a) any such Asbestos/Silica Insurance Company’s failure to provide or pay under Asbestos/Silica In-Place Insurance Coverage, (b) the refusal of any Asbestos/Silica Insurance Company to pay any obligation on, or compromise and settle, any Asbestos PI Trust Claim or Silica PI Trust Claim under or pursuant to any Asbestos/Silica Insurance Policy, or (c) the interpretation or enforcement of the terms of any Asbestos/Silica Insurance Policy with respect to any Asbestos PI Trust Claim or Silica PI Trust Claim.
37. “Asbestos/Silica Insurance Action Recoveries” means (a) certain Cash derived from, and paid pursuant to, Asbestos/Silica Insurance Settlement Agreements entered into prior or subsequent to the Confirmation

Hearing, (b) the right to receive proceeds of Asbestos/Silica In-Place Insurance Coverage, and (c) the right to receive the proceeds or benefits of any Asbestos/Silica Insurance Action.

- 38. “Asbestos/Silica Insurance Company” means any insurance company, insurance broker, guarantee association, or any other Entity with demonstrated or potential liability to a Debtor or Reorganized Debtor for coverage under an Asbestos/Silica Insurance Policy arising from or related to Asbestos PI Trust Claims and/or Silica PI Trust Claims.
- 39. “Asbestos/Silica Insurance Company Injunction” means the injunction set forth in article 10.3(b) of the Plan.
- 40. “Asbestos/Silica Insurance Policy” means those insurance policies and specific coverages providing coverage for asbestos or silica, including those policies listed on Exhibit 1 to the Plan, as such Exhibit may be amended and/or supplemented from time to time.
- 41. “Asbestos/Silica Insurance Settlement Agreement” means any settlement agreement, set forth on Exhibit 2 to the Plan, with a Settling Asbestos/Silica Insurance Company as such Exhibit may be amended and/or supplemented from time to time as permitted under the Plan.
- 42. “Asbestos/Silica PI Trust Claimant Settlement Agreement” means any settlement agreement listed on Exhibit 3 to the Plan, as the Exhibit may be amended and/or supplemented from time to time.
- 43. “Associated Settled Claims Costs” means fixed, per-claim costs payable to the Asbestos PI Trust and the Silica PI Trust pursuant to the Asbestos PI Trust Funding Agreement and the Silica PI Trust Funding Agreement, as the case may be.
- 44. “Balloting Agent” means The Trumbull Group, L.L.C.
- 45. “Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, as in effect on the Petition Date, together with all amendments and modifications thereto subsequently made, to the extent applicable to the Reorganization Cases.
- 46. “Bankruptcy Court” means the United States Bankruptcy Court for the Western District of Pennsylvania, Pittsburgh Division or, as the circumstances or context requires, the District Court.
- 47. “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 thereto subsequently made applicable to the Reorganization Cases.
- 48. “Barracuda” means Barracuda & Carratinga Leasing Company, B.V.
- 49. “Barracuda Contract” means the Turnkey Engineering Procurement and Construction Contract dated June 30, 2000 by and between Barracuda and KBR.
- 50. “BPM” means BPM Minerals, LLC, a New Jersey limited liability company.
- 51. “Brown & Root” means Brown & Root, Inc., a predecessor of KBR.
- 52. “Business Day” means any day other than a Saturday, Sunday, or legal holiday (as such term is defined in Bankruptcy Rule 9006(a)).

53. “Cash” means cash, cash equivalents, and other readily marketable securities or instruments, including, without limitation, direct obligations of the United States and certificates of deposit issued by federally insured banks.
54. “Claim” shall have the meaning ascribed to such term in section 101(5) of the Bankruptcy Code.
55. “Claimant” means the holder of a Claim.
56. “Class” means a category of Claims or Interests as defined in article III of the Plan.
57. “Confirmation” or “Confirmation of the Plan” means the approval of the Plan by the Bankruptcy Court and/or District Court at the Confirmation Hearing.
58. “Confirmation Date” means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court.
59. “Confirmation Hearing” means the hearing(s) that will be held before the Bankruptcy Court and/or District Court, in which the Debtors will seek Confirmation of the Plan.
60. “Confirmation Order” means the order of the Bankruptcy Court and/or District Court confirming the Plan pursuant to section 1129 and other applicable sections of the Bankruptcy Code.
61. “Debtor” means each of Mid-Valley, DII Industries, KBR, KBR Technical, KBR Engineering, KBR International (Delaware), KBR International (Panama), and BPM.
62. “Debtor-Affiliated Protected Party” means each of (a) the Halliburton Protected Parties, (b) the Harbison-Walker Protected Parties, (c) the Debtor-Indemnified Protected Parties, (d) the Lender Protected Parties, (e) the Transferee Protected Parties, and (f) the Successor Protected Parties.
63. “Debtor-Indemnified Protected Party” means those entities listed on Exhibit 17 to the Plan, but only to the extent that such entity is alleged to be liable for an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim for which a Debtor, Halliburton, or a Halliburton Current Affiliate has agreed, or is obligated by operation of law, to indemnify such Debtor-Indemnified Protected Party.
64. “Debtor in Possession” means each of Mid-Valley, DII Industries, KBR, KBR Technical, KBR Engineering, KBR International (Delaware), KBR International (Panama), and BPM.
65. “Demand” means a demand for payment, present or future, that (a) was not a Claim during the Reorganization Cases, (b) arises out of the same or similar conduct or events that gave rise to Asbestos PI Trust Claims and/or Silica PI Trust Claims, and (c) pursuant to the Plan is to be paid by the Asbestos PI Trust or Silica PI Trust.
66. “Derivative Claim” means any claim, liability, or cause of action that may arise, now or hereafter, that is derivative of a right of a Debtor, including, without limitation, (a) fraudulent-transfer, fraudulent-conveyance, or preference claims under applicable state or federal law, (b) denuding-the-corporation claims, single-business-enterprise claims, corporate trust fund claims, or claims against any Released Debtor Party or Released Non-Debtor Affiliate for breach of fiduciary duty or conspiracy, (c) claims asserted or assertable, by or on behalf of, a Debtor or by any other party, against any Released Debtor Party or Released Non-Debtor Affiliate, alleging (i) that any Released Debtor Party or Released Non-Debtor Affiliate was the mere instrumentality, agent, or alter ego of a Debtor or that the corporate veil of a Released Debtor Party or Released Non-Debtor Affiliate should be pierced, or (ii) that a Released Debtor Party or Released Non-Debtor Affiliate, as a result of domination and control or potential control over a Debtor, directly or indirectly, should be liable for Asbestos PI Trust Claims, Silica PI Trust Claims, or claims that have their origins in acts or omissions of a Debtor, or (iii) that any Released Debtor Party or

Released Non-Debtor Affiliate is successor-in-interest to a Debtor, or any Entity for or with which a Debtor or its successors are or may be liable, and accordingly responsible and liable for certain or all of such Debtor's obligations and legal liabilities, or (d) any claims related to insurance or the placement of insurance coverage under which a Debtor is or was an insured.

67. "DII Industries" means DII Industries, LLC, a Delaware limited liability company, f/k/a/ Dresser Industries, Inc.
68. "DII Industries Debentures" means DII Industries' 7.6% debentures due August 15, 2096.
69. "DII Industries Pledge Agreement" means the pledge agreement, in substantially the form attached as Exhibit 7 to the Plan, to be executed by HESI and delivered to the Asbestos PI Trust on the Effective Date.
70. "Direct Action" means any cause of action or right to bring a cause of action possessed by an Asbestos PI Trust Claimant or Silica PI Trust Claimant against an Asbestos/Silica Insurance Company on account of such Claimant's Asbestos PI Trust Claim or Silica PI Trust Claim, whether arising by contract or under the laws of any jurisdiction.
71. "Discharge Injunction" means the permanent injunction set forth in article 10.2 of the Plan.
72. "Disclosure Statement" means the Disclosure Statement for the Proposed Joint Prepackaged Plan of Reorganization for Mid-Valley, KBR, DII Industries, KBR Technical, KBR Engineering, KBR International (Delaware), KBR International (Panama), and BPM Under Chapter 11 of the United States Bankruptcy Code, dated September 18, 2003, including all exhibits attached thereto, as submitted by the Debtors pursuant to section 1125 of the Bankruptcy Code and approved by the Bankruptcy Court, as such Disclosure Statement may be further amended, supplemented, or modified from time to time.
73. "Disputed Claim" means, with respect to each Debtor:
- (a) if no Proof of Claim has been filed by the applicable bar date or otherwise has been deemed timely filed under applicable law and the Debtors' Schedules have been filed, (i) a Claim that is listed on the Debtors' Schedules as other than disputed, contingent, or unliquidated, but as to which the Debtors or any other party in interest has filed an objection by the claims objection bar date, but only to the extent of the difference between the amount of the Claim listed in the Schedules and the amount of such Claim asserted in the objection or (ii) a Claim that is listed on the Debtors' Schedules as disputed, contingent, or unliquidated; or
- (b) if a Proof of Claim or request for payment of an Administrative Claim has been filed by the bar date or has otherwise been deemed timely filed under applicable law, a Claim for which an objection has been filed by the Debtors or any other party in interest, as the case may be, by the claims objection bar date, if such objection has not been withdrawn or denied by a Final Order, but only to the extent of the difference between the amount of the Claim asserted in the Proof of Claim and the amount of such Claim asserted in the objection.
74. "Disputed Settled Claim" means a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim (a) whose holder has been given final notification by the Debtors that the claim has been determined not to satisfy the medical criteria for payment under the applicable agreement and (b) whose holder has notified the Debtors of such holder's intent to commence a proceeding of a type specified in article 12.2 of the Plan on or before the Notification Date.
75. "Distribution Amount" means the product obtained by multiplying the Liquidated Amount of an Asbestos Unsecured PI Trust Claim or Silica Unsecured PI Trust Claim by the applicable Payment Percentage.

76. “Distribution Date” means, when used with respect to an Allowed Claim (other than an Asbestos Unsecured PI Trust Claim or Silica Unsecured PI Trust Claim), the date which is as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date on which the order allowing such Claim becomes a Final Order.
77. “District Court” means the United States District Court assigned to preside over the Reorganization Cases.
78. “Dresser Industries” means Dresser Industries, Inc., a Delaware corporation.
79. “Effective Date” means, and shall occur on, the first day upon which all of the conditions to occurrence of the Effective Date contained in article 8.1 of the Plan have been satisfied, or waived in writing pursuant to article 8.2 of the Plan.
80. “Entity” shall have the meaning set forth in section 101(15) of the Bankruptcy Code.
81. “Environmental Laws” means (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601, *et seq.*, (b) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendment of 1984, 42 U.S.C. §§ 6901, *et seq.*, (c) the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.*, (d) the Clean Water Act of 1977, 33 U.S.C. §§ 1251, *et seq.*, (e) the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*, (f) all statutes or laws issued or promulgated by any Governmental Unit, as they may be amended from time to time, relating to environmental contamination or pollution, air pollution, water pollution, noise control, and/or the handling, discharge, existence, release, disposal, or recovery of on-site or off-site hazardous, toxic or dangerous wastes, substances, chemicals, or materials, and (g) the ordinances, rules, regulations, orders, notices of violation, requests, demands, and requirements issued or promulgated by any Governmental Unit in connection with such statutes or laws.
82. “Equitas” shall mean (i) Equitas Limited, Equitas Reinsurance Limited, Equitas Holdings Limited, Equitas Management Services Limited, and Equitas Policyholders Trust Limited; (ii) all the present and former officers, directors, trustees, employees, subsidiaries, affiliates, representatives, attorneys and agents of the entities set forth in sub-paragraph (i) hereof, and their respective predecessors and successors, if any, in such capacity; and (iii) the respective heirs, executors, administrators, successors, assigns and reinsurers (as such) of any of the Persons identified in sub-paragraphs (i) and (ii) hereof.
83. “Escrow Agent” means the escrow agent named in the Escrow Agreement.
84. “Escrow Agreement” means the agreement, in substantially the form attached as Exhibit 22 to the Plan, to be entered into on the Effective Date.
85. “Estates” means the estates created for the Debtors pursuant to section 541 of the Bankruptcy Code on the Petition Date.
86. “Final Order” means an order of a court: (a) as to which the time to appeal, petition for writ of certiorari, or otherwise seek appellate review or to move for reargument, rehearing, or reconsideration has expired and as to which no appeal, petition for writ of certiorari, or other appellate review, or proceedings for reargument, rehearing, or reconsideration shall then be pending; (b) or as to which any right to appeal, petition for certiorari, or move for reargument or rehearing shall have been waived in writing by the party with such right; or (c) in the event that an appeal, writ of certiorari, or other appellate review or reargument, rehearing, or reconsideration thereof has been sought, which shall have been affirmed by the highest court to which such order was appealed from which writ of certiorari or other appellate review or reargument, rehearing, or reconsideration was sought, and as to which the time to take any further appeal, to petition for writ of certiorari, to otherwise seek appellate review, and to move for reargument, rehearing, or reconsideration shall have expired; *provided, however*, that the possibility that a motion under Rule 59 or

Rule 60 of the Federal Rules of Civil Procedure or under section 1144 of the Bankruptcy Code, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

87. “First Amended Plan” means the Plan as amended by the First Amendment to Joint Prepackaged Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, and all exhibits attached thereto or referenced therein.
88. “General Unsecured Claim” means an Unsecured Claim that is not an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim.
89. “GIT Affiliate” means any Affiliate of a GIT Debtor or a Reorganized GIT Debtor. For purposes of this definition, GIT Affiliate includes (i) any Affiliate existing as of the date of the Harbison-Walker Settlement Agreement or any future Affiliate of such an Affiliate and (ii) each of the RHI Entities.
90. “GIT Debtor” means ANH Refractories Company, A.P. Green Industries, Inc., A.P. Green International, Inc., A.P. Green Refractories, Inc., A.P. Green Services, Inc., APG Development Corp., APG Refractories Corp., Chiam Technologies, Inc., Detrick Refractory Fibers, Inc., Global Industrial Technologies, Inc., Global Industrial Technologies Services, Inc., Global Processing Systems, Inc., GPX Acquisition, Inc., GPX Corp., GIX Foreign Sales Corp., GPX Forge, Inc., GPX Forge-U, Inc., Harbison-Walker, Harbison-Walker International Refractories, Inc., Harbison-Walker Refractories Europe, Ltd., Indresco International Ltd., Intogreen Co., Lanxide Thermocomposites, Inc., RHI American Receivables Corporation, RHI Refractories America, Inc., and TMPSC, Inc.
91. “Governmental Unit” means any domestic, foreign, provincial, federal, state, local, or municipal government, governmental agency, commission, department, bureau, ministry, or other governmental entity.
92. “Halliburton” means Halliburton Company, a Delaware corporation.
93. “Halliburton Asbestos PI Trust Guarantee” means the guarantee, in substantially the form attached as Exhibit 6 to the Plan, to be executed by Halliburton and delivered to the Asbestos PI Trust to guarantee the obligations of DII Industries under the Asbestos PI Trust Note.
94. “Halliburton Asbestos PI Trust Stock” means the 59.5 million shares of common stock to be contributed to the Asbestos PI Trust pursuant to the Plan; *provided, however*, that the common stock contributed shall be subject to adjustment for any subdivision, combination, or distribution with respect to the common stock of Halliburton occurring after the Solicitation Date and prior to the Effective Date, so that the Asbestos PI Trust will own, or be entitled to receive, the same kind and number of securities of Halliburton that the Asbestos PI Trust would have owned or been entitled to receive if the 59.5 million shares of common stock had been issued to the Asbestos PI Trust prior to the date of any such subdivision, combination, or distribution.
95. “Halliburton Current Affiliate” means those entities listed on Exhibit 16 to the Plan, as such Exhibit may be amended and/or supplemented through the Confirmation Date.
96. “Halliburton Entity” means each of (a) the Debtors, (b) Halliburton, (c) the Halliburton Current Affiliates, and (d) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
97. “Halliburton Future Affiliate” means any Entity that becomes an Affiliate of Halliburton after the Confirmation Date, but only to the extent that such Affiliate is alleged to have liability on account of being

an Affiliate of, successor of, successor-in-interest to, direct or indirect transferee of, or successor to, any assets of a Debtor, Halliburton, or a Halliburton Current Affiliate.

- 98. “Halliburton Group” means Halliburton and its current and future affiliates.
- 99. “Halliburton Intercompany Settlement Agreement” means the settlement agreement between the Debtors and Halliburton attached as Exhibit 15 to the Plan.
- 100. “Halliburton Protected Party” means each of (a) the Debtors, (b) the Reorganized Debtors, (c) Halliburton, (d) the Halliburton Current Affiliates, (e) the Halliburton Future Affiliates, and (f) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
- 101. “Halliburton Silica PI Trust Guarantee” means the guarantee, in substantially the form attached as Exhibit 12 to the Plan, to be executed by Halliburton and delivered to the Silica PI Trust to guarantee the obligations of DII Industries and KBR under the Silica PI Trust Note.
- 102. “Harbison-Walker” means Harbison-Walker Refractories Company, a Delaware corporation and a debtor in Case No. 02-21626 (Jointly Administered) before the Bankruptcy Court.
- 103. “Harbison-Walker Asbestos PI Trust Claim” means an Asbestos Unsecured PI Trust Claim that is also assertable against one or more of the Harbison-Walker Entities.
- 104. “Harbison-Walker Cases” means the jointly administered bankruptcy cases of the GIT Debtors before the Bankruptcy Court.
- 105. “Harbison-Walker Entity” means each of (a) Harbison-Walker, (b) Harbison-Walker Refractories Europe, Ltd., (c) Indresco International Ltd., (d) Indresco Jeffrey Industria e Commercio Ltda., and (e) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
- 106. “Harbison-Walker Protected Party” means each of (a) the GIT Debtors, (b) the Reorganized GIT Debtors, (c) the GIT Affiliates, and (d) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such but, with respect to each Harbison-Walker Protected Party, only to the extent that such is alleged to be liable for an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim.
- 107. “Harbison-Walker Refractories” means the former Harbison-Walker Refractories division of Dresser Industries.
- 108. “Harbison-Walker Settlement Agreement” means the settlement agreement, attached as Exhibit O to the Disclosure Statement, between the GIT Debtors, on the one hand, and DII Industries and Halliburton, on the other.
- 109. “Harbison-Walker Shared Insurance Policies” means the insurance policies listed on Exhibit A to the Harbison-Walker Settlement Agreement.
- 110. “Harbison-Walker Silica PI Trust Claim” means a Silica Unsecured PI Trust Claim that is also assertable against one or more of the Harbison-Walker Entities.
- 111. “HESI” means Halliburton Energy Services, Inc., a Delaware corporation.

112. “HESI Notes” means the promissory notes of HESI to be issued to DII Industries in connection with the prefilings restructuring transactions described in section 1.5 of the Disclosure Statement.
113. “Indirect Asbestos PI Trust Claim” means a Claim or Demand that (a) is based upon a right of contribution, reimbursement, subrogation, indemnity (whether arising by contract or by operation of law) or virile share (as those terms are defined by the nonbankruptcy law of any relevant jurisdiction), or similar Claims or Demands, whether or not such Claim or Demand is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or legal bases therefore are known or unknown, and regardless of whether in the nature of, or sounding in, contract, tort, warranty, guarantee, contribution, joint and several liability, subrogation, reimbursement, indemnity, statutory right, conspiracy, conducting a fraudulent defense, or any other theory of law, equity, or admiralty and (b) asserts liability or responsibility, directly or indirectly, arising out of, attributable to, or resulting from, an Asbestos PI Trust Claim.
114. “Indirect Silica PI Trust Claim” means a Claim or Demand that (a) is based upon a right of contribution, reimbursement, subrogation, indemnity (whether arising by contract or by operation of law) or virile share (as those terms are defined by the nonbankruptcy law of any relevant jurisdiction), or similar Claims or Demands, whether or not such Claim or Demand is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or legal bases therefore are known or unknown, and regardless of whether in the nature of, or sounding in, contract, tort, warranty, guarantee, contribution, joint and several liability, subrogation, reimbursement, indemnity, statutory right, conspiracy, conducting a fraudulent defense, or any other theory of law, equity, or admiralty and (b) asserts liability or responsibility, directly or indirectly, arising out of, attributable to, or resulting from a Silica PI Trust Claim.
115. “Initial Payment Percentage” means the fraction the numerator of which is \$2.775 billion and the denominator of which is the sum of (a) the aggregate value of Qualified Claims as of the Initial Payment Percentage Determination Date and (b) the aggregate value of Disputed Settled Claims as of the close of business on the Notification Date; *provided, however*, that the Initial Payment Percentage shall be recalculated on the thirtieth (30th) day after each anniversary of the Effective Date to be the fraction the numerator of which is \$2.775 billion and the denominator of which is the sum of (a) the aggregate value of Qualified Claims as of that date and (b) the aggregate value of Unresolved Disputed Settled Claims as of that date; *provided, further, however*, that the Initial Payment Percentage shall not be greater than 100% or lower than 89.95%.
116. “Initial Payment Percentage Determination Date” means the one-hundred and fifth (105th) day following entry of the Confirmation Order.
117. “Injunctions” means the Discharge Injunction, the Permanent Channeling Injunction, the Asbestos/Silica Insurance Company Injunction, and the 346 Injunction issued by the Bankruptcy Court or the District Court in the Reorganization Cases.
118. “Intercompany Claims” means all claims by and between (a) one Debtor and another Debtor and/or (b) any Debtor and Halliburton or a Halliburton Current Affiliate.
119. “Intercompany Settlement Claims” means any and all claims included within the scope of claims to be released under the Halliburton Intercompany Settlement Agreement.
120. “Interest” means the rights of the holders of the equity securities of a Debtor and the rights of any Entity to purchase or demand the issuance of any equity security of such Debtor, including (a) redemption, conversion, exchange, voting, participation, and dividend rights, (b) liquidation preferences, and (c) stock options and warrants.

- 121. “IRC” means the Internal Revenue Code of 1986, as amended.
- 122. “KBR” means Kellogg Brown & Root, Inc., a Delaware corporation.
- 123. “KBR Debtors” means KBR and the KBR Subsidiaries.
- 124. “KBR Engineering” means Kellogg Brown & Root Engineering Corporation, a New York corporation.
- 125. “KBR International (Delaware)” means Kellogg Brown & Root International, Inc., a Delaware corporation.
- 126. “KBR International (Panama)” means Kellogg Brown & Root International, Inc., a Panamanian corporation.
- 127. “KBR Services” means Kellogg Brown & Root Services, Inc.
- 128. “KBR Subsidiaries” means Mid-Valley, KBR Technical, KBR Engineering, KBR International (Delaware), and KBR International (Panama).
- 129. “KBR Technical” means KBR Technical Services, Inc., a Delaware corporation.
- 130. “Legal Representative” means the Legal Representative for future and unknown Asbestos PI Trust Claimants and Silica PI Trust Claimants, who shall be Professor Eric D. Green, or such other individual as may be appointed by the Bankruptcy Court to protect the rights of persons that might, subsequent to the Confirmation Date, assert Demands.
- 131. “Lender Protected Party” means any Entity that makes a loan to (a) a Reorganized Debtor, (b) a Halliburton Entity, (c) a Harbison-Walker Protected Party, (d) the Asbestos PI Trust, or (e) the Silica PI Trust, or makes a loan to a successor of, successor-in-interest to, or direct or indirect transferee of any of the foregoing, but only to the extent that liability is asserted to exist by reason of such Entity becoming such a lender or to the extent that any pledge of assets made in connection with such a loan is sought to be upset or impaired.
- 132. “Liberty Mutual” shall mean Liberty Mutual Insurance Company; all of its present and former officers, directors, employees, subsidiaries, affiliates, representatives, attorneys and agents, and their respective predecessors and successors, if any, in such capacity, and the respective heirs, executors, administrators, successors, assigns and reinsurers (as such) of any of the foregoing.
- 133. “LIBOR” means the London interbank offered rate of interest.
- 134. “Lien” means, with respect to any asset or property, any mortgage, lien, pledge, charge, security interest, encumbrance, or other security device of any kind pertaining to, or affecting such asset or property.
- 135. “Liquidated Amount” means, (a) with respect to any Asbestos PI Trust Claim or Silica PI Trust Claim liquidated by settlement, the amount set forth in an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, provided that the Claimant satisfies the conditions for payment set forth in such agreement, (b) with respect to an Asbestos Final Judgment Claim or Silica Final Judgment Claim, the amount of such judgment, or (c) for all other Asbestos PI Trust Claims or Silica PI Trust Claims, the amount established pursuant to the Asbestos TDP or Silica TDP, as the case may be.
- 136. “Liquidated Asbestos PI Trust Claim” means (a) a Qualifying Settled Asbestos PI Trust Claim, (b) an Asbestos Final Judgment Claim, or (c) an Unliquidated Asbestos PI Trust Claim that has been reduced to a Liquidated Amount under the Asbestos TDP.

137. “Liquidated Silica PI Trust Claim” means (a) a Qualifying Settled Silica PI Trust Claim, (b) a Silica Final Judgment Claim, or (c) an Unliquidated Silica PI Trust Claim that has been reduced to a Liquidated Amount under the Silica TDP.
138. “Liquidation Analysis” means the liquidation analysis attached as Exhibit E to the Disclosure Statement.
139. “Maximum Annual Payment” means the maximum annual payment that may be established by the Trustees of the Asbestos PI Trust or Silica PI Trust, as the case may be, pursuant to the Asbestos TDP or Silica TDP.
140. “Medical/Exposure Criteria” means the presumptive medical/exposure criteria established respectively under the Asbestos TDP or Silica TDP.
141. “Mid-Valley” means Mid-Valley, Inc., a Pennsylvania corporation.
142. “Mid-Valley Pledge Agreement” means the pledge agreement, in substantially the form attached as Exhibit 13 to the Plan, to be executed by KBR and delivered to the Silica PI Trust on the Effective Date.
143. “M.W. Kellogg” means The M.W. Kellogg Company, a predecessor of KBR.
144. “Non-Compensatory Damages” means any damages awarded by a court of competent jurisdiction that are penal in nature, including, without limitation, punitive, punitory, exemplary, vindictive, imaginary, or presumptive damages.
145. “Notification Date” means the thirtieth day after the holder of a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim that the Debtors have determined not to satisfy the medical criteria for payment under the applicable agreement is served with a copy of the Bankruptcy Court’s order approving the Debtors’ post-confirmation plan amendment dated November 5, 2004.
146. “Other Secured Claim” means a Secured Claim that is not an Asbestos Secured Claim or a Silica Secured Claim.
147. “Payment Percentage” means (a) the Initial Payment Percentage with respect to (i) Qualifying Settled Asbestos PI Trust Claims, (ii) Qualifying Settled Silica PI Trust Claims, (iii) Asbestos Final Judgment Claims, and (iv) Silica Final Judgment Claims, (b) the payment percentage established by the Trustees of the Asbestos PI Trust, with consent of the Legal Representative and the Asbestos TAC, for Asbestos Unsecured PI Trust Claims liquidated under the Asbestos TDP (other than claims paid as Disease Level I claims under the Asbestos TDP); *provided, however*, that such Payment Percentage shall not exceed the Initial Payment Percentage prior to the first (1st) anniversary of the Effective Date, (c) the payment percentage established by the Trustee of the Silica PI Trust, with consent of the Legal Representative and the Silica TAC, for Silica Unsecured PI Trust Claims liquidated under the Silica TDP; *provided, however*, that such Payment Percentage shall not exceed the Initial Payment Percentage prior to the first (1st) anniversary of the Effective Date, and (d) 100% for Asbestos Unsecured PI Trust Claims liquidated under the Asbestos TDP and paid as claims for Other Asbestos Disease (Disease Level I).
148. “PBGC” means the Pension Benefit Guaranty Corporation.
149. “Pension Plans” means any ongoing, defined benefit pension plans to which the Debtors are contributing sponsors and to which Title IV of the Employee Retirement Income Security Act applies.
150. “Permanent Channeling Injunction” means the injunction set forth in article 10.3(a) of the Plan.
151. “Person” means any person, individual, partnership, corporation, limited liability company, joint venture company, association or other entity or being of whatever kind, whether or not operating or existing for

profit, including, without limitation, any “person” as such term is defined in section 101(41) of the Bankruptcy Code, but excluding any Governmental Unit.

152. “Petition Date” means the date on which the Reorganization Cases are commenced with the filing of voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
153. “Plan” means the Joint Prepackaged Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, as amended by the First Amendment to Joint Prepackaged Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, and all exhibits attached thereto or referenced therein, as the same may be amended, modified, or supplemented.
154. “Plan Documents” means the Plan, the Disclosure Statement, and all documents, attachments, and exhibits attached to the Plan or the Disclosure Statement that aid in effectuating the Plan, including, without limitation, the Asbestos PI Trust Documents and the Silica PI Trust Documents, as the same may be amended, modified, or supplemented, in accordance with their terms, and the Asbestos/Silica PI Trust Claimant Settlement Agreements and the Asbestos/Silica Insurance Settlement Agreements.
155. “Plan-Process Participants” means the Debtors, Halliburton, the Halliburton Current Affiliates, the Asbestos Committee, the Unsecured Creditors Committee, if one is appointed, the Legal Representative, as well as the respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives of the foregoing, in their respective capacities as such.
156. “Priority Claim” means any Claim (other than an Administrative Claim or a Priority Tax Claim) to the extent such Claim is entitled to a priority in payment under section 507(a) of the Bankruptcy Code.
157. “Priority Tax Claim” means any Claim to the extent that such Claim is entitled to a priority in payment under section 507(a)(8) of the Bankruptcy Code.
158. “Professional Persons” means Persons retained or to be compensated under sections 327, 328, 330, 503(b), and 1102 of the Bankruptcy Code.
159. “Proof of Claim” means any proof of claim filed with the Bankruptcy Court with respect to a Debtor pursuant to Bankruptcy Code section 501 and Bankruptcy Rules 3001 or 3002.
160. “Qualified Claim” means a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim that (a) is covered by an Asbestos/Silica PI Trust Claimant Settlement Agreement listed on Exhibit 3 to the Plan, as amended as of November 14, 2003, and (b) has been determined by the Debtors to satisfy the medical criteria for payment under the applicable settlement agreement, regardless of when, how, and by whom such claim is paid.
161. “Qualifying Settled Asbestos PI Trust Claim” means a Settled Asbestos PI Trust Claim that satisfies all of the conditions for payment under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.
162. “Qualifying Settled PI Trust Claim” means a Qualifying Settled Asbestos PI Trust Claim or a Qualifying Settled Silica PI Trust Claim.
163. “Qualifying Settled Silica PI Trust Claim” means a Settled Silica PI Trust Claim that satisfies all of the conditions for payment set forth under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.
164. “Released Claim” means any claim that is (a) an Asbestos PI Trust Claim, (b) a Silica PI Trust Claim, or (c) a Derivative Claim.

165. “Released Debtor Party” means each of (a) the Debtors, (b) the Reorganized Debtors, and (c) the Debtors’ and Reorganized Debtors’ present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and the employees of each of the foregoing, in their respective capacities as such.
166. “Released Non-Debtor Affiliate” means each of (a) Halliburton, (b) Halliburton Current Affiliates, (c) the respective successors, successors-in-interest, and assigns (by merger, assignment of assets, consolidation, operation of law, or otherwise) of any of the foregoing, and (d) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
167. “Reorganization Cases” means the cases of the Debtors under chapter 11 of the Bankruptcy Code before the Bankruptcy Court.
168. “Reorganized Debtor” means each of Mid-Valley, DII Industries, KBR, KBR Engineering, KBR International (Delaware), KBR International (Panama), KBR Technical, or BPM and/or any of their successors, successors-in-interest, and assigns (by merger, assignment of assets, consolidation, operation of law, or otherwise, including any Entity or Entities designated as successor or successor-in-interest in the Confirmation Order), on or after the Effective Date.
169. “Reorganized GIT Debtor” means any GIT Debtor that is reorganized pursuant to a plan of reorganization under chapter 11 of the Bankruptcy Code.
170. “RHI Asbestos PI Trust Contribution” means the \$950,000.00 payment to be made by DII Industries to the Asbestos PI Trust on behalf of the RHI Entities pursuant to the Settlement and Mutual Release Agreement entered into between DII Industries and RHI Refractories, dated April 8, 2004.
171. “RHI Entities” means each of those Entities listed on Exhibit 19 to the Plan, and their respective successors or assigns.
172. “RHI Refractories” means RHI Refractories Holding Company.
173. “RHI Silica PI Trust Contribution” means the \$50,000.00 payment to be made by DII Industries to the Silica PI Trust on behalf of the RHI Entities pursuant to the Settlement and Mutual Release Agreement entered into between DII Industries and RHI Refractories, dated April 8, 2004.
174. “Schedules” means the schedules, statements, and lists filed by the Debtors with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, if such documents are filed, as may be amended or supplemented from time to time.
175. “SEC” means the United States Securities and Exchange Commission.
176. “Secured Claim” means any Claim that is (a) secured in whole or part, as of the Petition Date, by a Lien against property of a Debtor or a Harbison-Walker Entity that is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, or (b) subject to setoff under section 553 of the Bankruptcy Code; *provided, however*, with respect to both (a) and (b) above, a Claim is a Secured Claim only to the extent of the value, net of any senior Lien, of the Estate’s interest in the assets or property securing any such Claim or the amount subject to setoff, as the case may be.
177. “Settled Asbestos PI Trust Claim” means an Asbestos PI Trust Claim settled pursuant to an Asbestos/Silica PI Trust Claimant Settlement Agreement, subject to the satisfaction of the terms and conditions therein.

178. “Settled Asbestos PI Trust Claimant” means a holder of a Settled Asbestos PI Trust Claim.
179. “Settled PI Trust Claim” means a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim.
180. “Settled Silica PI Trust Claim” means a Silica PI Trust Claim settled pursuant to an Asbestos/Silica PI Trust Claimant Settlement Agreement, subject to the satisfaction of the terms and conditions therein.
181. “Settled Silica PI Trust Claimant” means a holder of a Settled Silica PI Trust Claim.
182. “Settlement Amount” means the amount of a Qualifying Settled Asbestos PI Trust Claim or a Qualified Settled Silica PI Trust Claim under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.
183. “Settlement Released Parties” means (a) with respect to any Debtor, each of the other Debtors, (b) Halliburton, (c) each of the Halliburton Current Affiliates, (d) each of the Halliburton Future Affiliates, (e) the successors of, successors-in-interest to, direct or indirect transferees of, or successors to any assets of, any of the foregoing, and (f) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing in their respective capacities as such.
184. “Settling Asbestos/Silica Insurance Company” means any Asbestos/Silica Insurance Company that has entered into an Asbestos/Silica Insurance Settlement Agreement that is sufficiently comprehensive, in the sole judgment of a Debtor or Reorganized Debtor, to warrant treatment under section 524(g) of the Bankruptcy Code, which determination by such Debtor shall be indicated (a) by the inclusion of such Asbestos/Silica Insurance Settlement Agreement and Settling Asbestos/Silica Insurance Company on Exhibit 2 to the Plan or an amendment thereto or (b) if after the Effective Date, by filing a notice with the Bankruptcy Court and serving a copy of such notice on the parties identified in article 13.16 of the Plan.
185. “Silica Bonded Claim” means any Silica PI Trust Claim relating to a judgment as to which, but only to the extent that, a supersedeas bond or such other similar filing was posted by or on behalf of a Debtor; *provided, however*, the amount of such Silica Bonded Claim shall not exceed the amount of judgment as determined by a Final Order or, if a Silica Unsecured PI Trust Claim, as liquidated pursuant to the Silica TDP.
186. “Silica Claimant Settlement Agreement” means an Asbestos/Silica PI Trust Claimant Settlement Agreement that concerns silica and is listed on Exhibit 3 to the Plan, as the exhibit may be amended or supplemented from time to time.
187. “Silica Final Judgment Claim” means a Silica Unsecured PI Trust Claim reduced to a liquidated amount prior to the Confirmation Date by a final, nonappealable judgment.
188. “Silica PI Trust” means the tax-qualified settlement trust to be established pursuant to the Silica PI Trust Agreement.
189. “Silica PI Trust Agreement” means the Silica PI Trust Agreement, effective as of the Effective Date, substantially in the form attached as Exhibit 10 to the Plan, as it may be modified from time to time.
190. “Silica PI Trust Assets” means (a) the Silica PI Trust Initial Cash Amount, (b) the Silica PI Trust Funding Agreement, (c) the Silica PI Trust Note, (d) the Halliburton Silica PI Trust Guarantee, (e) the Mid-Valley Pledge Agreement, (f) the RHI Silica PI Trust Contribution, and (g) the Escrow Agreement, and all income, profits, and proceeds derived from any of the foregoing.

191. “Silica PI Trust Bylaws” means the Silica PI Trust Bylaws, effective as of the Effective Date, substantially in the form attached as Annex 2 to the Silica PI Trust Agreement, as such bylaws may be modified from time to time in accordance with the terms of the Silica PI Trust Agreement.
192. “Silica PI Trust Cash Contribution” means the amount of Cash to be funded into the Silica PI Trust on behalf of holders of Qualifying Settled Silica PI Trust Claims pursuant to the Silica Trust Funding Agreement.
193. “Silica PI Trust Claim” means (a) any Claim or Demand, including a claim for damages, if any, arising from the rejection of an executory contract, whether now existing or hereafter arising or asserted against a Halliburton Entity or a Harbison-Walker Entity, and/or (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured, or unsecured), whenever and wherever arising or asserted, whether under a direct or indirect theory of liability, of a Halliburton Entity or a Harbison-Walker Entity (including, without limitation, all debts, obligations, and liabilities in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty, whether under common law or by statute); in either case (a) or (b), for, resulting from, attributable to, or arising by reason of, directly or indirectly, physical, emotional, bodily, or other personal injury or damages (including, without limitation, any Claim or Demand for compensatory damages, loss of consortium, medical monitoring, survivorship, wrongful death, proximate, consequential, general, special or punitive damages, reimbursement, indemnity, warranty, contribution or subrogation) whether or not diagnosable or manifested before the Confirmation of the Plan or the close of these Reorganization Cases, (x) caused or allegedly caused, in whole or in part, directly or indirectly (i) by silica or silica-containing products sold, installed, handled, used, specified, made, distributed, or removed by a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable or (ii) by services, actions, or operations provided, completed, performed, or taken with silica or silica-containing products by or at the direction of a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable, or (y) caused or allegedly caused by silica or silica-containing products for which a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable, are liable under any applicable law or by contract, whether or not arising, or allegedly arising, directly or indirectly from acts or omissions of such Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable. Silica PI Trust Claims include, without limitation, Silica Secured PI Trust Claims, Silica Unsecured PI Trust Claims, Qualifying Settled Silica PI Trust Claims, Indirect Silica PI Trust Claims, Harbison-Walker Silica PI Trust Claims, Silica Final Judgment Claims, Silica Bonded Claims, and Silica PI Trust Expenses. For purposes of this definition, Silica PI Trust Claim does not include (i) any claim by any present or former employee of a Debtor for benefits under a policy of workers’ compensation insurance or for benefits of any state or federal workers’ compensation statute or other statute providing compensation to an employee from an employer to the extent that such claim is asserted against the Silica PI Trust by an individual claimant, or (ii) any Silica PI Trust Claim that is also assertable as an Asbestos PI Trust Claim.
194. “Silica PI Trust Claimant” means the holder of a Silica Unsecured PI Trust Claim.
195. “Silica PI Trust Documents” means the Silica PI Trust Agreement, the Silica PI Trust Bylaws, the Silica TDP, and the other agreements, instruments, and documents governing the establishment, administration, and operation of the Silica Trust, as such may be amended or modified from time to time in accordance with the Plan and the terms of such documents.
196. “Silica PI Trust Expenses” means any of the silica expenses, and any other liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of the Silica PI Trust (except for payments to holders of Silica PI Trust Claims on account of such Silica PI Trust Claims).

197. “Silica PI Trust Funding Agreement” means the agreement, in substantially the form attached as Exhibit 14 to the Plan, to be entered into on the Effective Date between the Trustees of the Silica PI Trust and the Reorganized Debtors with respect to the Silica PI Trust Cash Contribution and the mechanisms and procedures for payment of Qualifying Settled Silica PI Trust Claims.
198. “Silica PI Trust Indemnification Agreement” means the indemnification agreement attached as Annex 1 to the Silica PI Trust Agreement.
199. “Silica PI Trust Indemnified Claim” means any claim indemnified in accordance with the terms of any Silica PI Trust Documents.
200. “Silica PI Trust Initial Cash Amount” means \$15 million.
201. “Silica PI Trust Note” means the promissory note, in substantially the form attached as Exhibit 11 to the Plan, to be executed by DII Industries and KBR, and delivered to the Silica PI Trust on the Effective Date.
202. “Silica Secured Claim” means a Silica PI Trust Claim, including a Silica Bonded Claim to the extent bonded with property of the Debtors’ Estates, that is also a Secured Claim.
203. “Silica TAC” means the Silica Trust Advisory Committee created pursuant to the Silica PI Trust Agreement, as may be reconstituted from time to time in accordance with the terms thereof.
204. “Silica TDP” means the trust distribution procedures substantially in the form attached as Annex 3 to the Silica PI Trust Agreement, as such procedures may be modified from time to time in accordance with the Silica PI Trust Agreement.
205. “Silica Unsecured PI Trust Claim” means any Silica PI Trust Claim other than a Silica Secured PI Trust Claim to the extent such Claim is a Secured Claim.
206. “Solicitation Date” means September 18, 2003, the date on which solicitation of acceptances of the Plan commenced.
207. “Stockholder Agreement” means that agreement between Halliburton and the Asbestos PI Trust attached in substantially the form to be executed as Exhibit 18 to the Plan, which will govern the rights of the Asbestos PI Trust with respect to the Halliburton Asbestos PI Trust Stock.
208. “Successor Protected Party” means any Entity that is or becomes a successor, successor-in-interest, or assign (by merger, assignment of assets, consolidation, operation of law, or otherwise, including any Entity designated as successor or successor-in-interest in the Confirmation Order) of any Halliburton Protected Party, Harbison-Walker Protected Party, Debtor-Indemnified Protected Party, Transferee Protected Party, or Lender Protected Party, including but not limited to those entities listed on Exhibit 20 to the Plan, but only to the extent that (a) liability is asserted to exist by reason of such Entity being or becoming a successor, successor-in-interest, or assign of one of the foregoing and (b) such Entity has a right to be indemnified by such foregoing party for such liability.
209. “Transferee Protected Party” means the Asbestos PI Trust, the Silica PI Trust, or any Entity that is or becomes a direct or indirect transferee of, or successor to, any assets of any Debtor, Reorganized Debtor, any Halliburton Protected Party, any Harbison-Walker Protected Party, the Asbestos PI Trust, or the Silica PI Trust, including but not limited to those entities listed on Exhibit 21 to the Plan, but only to the extent that (a) liability is asserted to exist by reason of such Entity being or becoming a transferee of, or successor to, assets of one of the foregoing and (b) such Entity has a right to be indemnified by such foregoing party for such liability.

210. “Trust Notes” means the Asbestos PI Trust Note and the Silica PI Trust Note.
211. “Trustee” or “Trustees” means, as the context requires, the Persons appointed pursuant to the Plan for the purpose of acting as initial trustees of the Asbestos PI Trust and/or Silica PI Trust in accordance with the terms and conditions contained in the applicable Asbestos PI Trust Documents or Silica PI Trust Documents, the Plan and the Confirmation Order and any successor appointed pursuant to the applicable Asbestos PI Trust Agreement or the Silica PI Trust Agreement.
212. “Underwriters” shall mean all the underwriters, members or names, at Lloyd’s who, through their participation in syndicates (including, without limitation, those identified on Exhibit 2 to the Plan), severally subscribed, each in his own proportionate share, to one or more of the Subject Insurance Policies (as such term is defined in Paragraph I.AA of the Settlement Agreement and Mutual Release between Halliburton, DII Industries, and certain Underwriters at Lloyd’s, London, dated March __, 2004). Underwriters shall include, without limitation, all underwriters, members or names at Lloyd’s, London, whether or not they participated in the syndicates identified above, who, through their participation in such syndicates severally subscribed to any of the Subject Insurance Policies (a) the existence of which has not presently been established; or (b) the existence of which has been established but as to which the identities of the names, members or syndicates are not presently known. For avoidance of doubt, Equitas is not within the definition of “Underwriter.”
213. “United States Trustee” means the United States Trustee for the Western District of Pennsylvania, Pittsburgh Division.
214. “Unliquidated Asbestos PI Trust Claim” means an Asbestos Unsecured PI Trust Claim that is not a Liquidated Asbestos PI Trust Claim.
215. “Unliquidated Silica PI Trust Claim” means a Silica Unsecured PI Trust Claim that is not a Liquidated Silica PI Trust Claim.
216. “Unresolved Disputed Settled Claim” means a Disputed Settled Claim for which a proceeding of a type permitted under article 12.2 of the Plan has been commenced and which remains unresolved as of a given date.
217. “Unsecured Claim” means any Claim that is not a Secured Claim, Priority Claim, or Priority Tax Claim, including, without limitation, to (a) any claim arising from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code and (b) any portion of a Claim to the extent the value of the holder’s interest in the Estate’s interest in the property securing such Claim is less than the amount of the Claim or, to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to section 506(a) of the Bankruptcy Code.
218. “Unsecured Creditors Committee” means the Official Committee of Unsecured Creditors, if any, appointed by the United States Trustee in the Reorganization Cases pursuant to section 1102 of the Bankruptcy Code.

Schedule 2

Blackline of Glossary

AMENDED DISCLOSURE STATEMENT EXHIBIT A

Uniform Glossary of Defined Terms for Plan Documents

(~~May 17,~~November 5, 2004)

**[This document is the definitive glossary for the Debtors' Fourth Amended and Restated
Joint Prepackaged Plan of Reorganization Under Chapter 11 of the
United States
Bankruptcy Code filed on May 17, 2004 (as Amended).
This document supersedes the glossary filed on May 17, 2004]**

Unless the context otherwise requires, the following terms, when used in initially capitalized form in the Disclosure Statement, related exhibits, and Plan Documents, shall have the following meanings. Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term by the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the event of a conflict or ambiguity). The rules of construction set forth herein and in section 102 of the Bankruptcy Code shall apply. All references to the "Plan" shall be construed, where applicable, to include references to the Plan and all its exhibits, appendices, schedules, and annexes (and any amendments made in accordance with their terms or applicable law).

Glossary of Terms

1. "346 Injunction" means the injunction set forth in article 10.5 of the Plan.
2. "1999 Indenture" means the General Indenture of Conveyance, Transfer and Assignment and Assumption of Obligations, effective as of January 31, 1999, between Dresser Industries and HESI, pursuant to which Dresser Industries contributed certain of its assets to HESI and HESI assumed certain obligations of Dresser Industries.
3. "Administrative Claim" means any Claim for the payment of an Administrative Expense.
4. "Administrative Claims Bar Date" means the date established in article 13.11 of the Plan or such other date as may be fixed by order of the Bankruptcy Court.
5. "Administrative Expense" means (a) any cost or expense of administration related to the Reorganization Cases allowable under section 503(b) of the Bankruptcy Code including, without limitation, (i) any actual and necessary postpetition cost or expense of preserving the Estates or operating the businesses of the Debtors, (ii) any payment required to cure a default on an assumed executory contract or unexpired lease, (iii) any postpetition cost, indebtedness, or contractual obligation duly and validly incurred or assumed by a Debtor in the ordinary course of its business, and (iv) compensation or reimbursement of expenses of professionals to the extent allowed by the Bankruptcy Court under sections 330(a) or 331 of the Bankruptcy Code and (b) any fee or charge assessed against the Estates under 28 U.S.C. § 1930.
6. "Affiliate" means, with respect to a particular Person, a Person (a) who directly or indirectly owns, controls, or holds more than 20% of the voting securities of the first Person (other than a Person who holds such securities (i) in a fiduciary or agency capacity without sole discretionary power to vote such securities or (ii) solely to secure a debt, if such Person has not in fact exercised such power to vote), (b) 20% of whose voting securities are owned, controlled, or held by the first Person or by a Person described in subclause (a), or (c) who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, the first Person. For purposes of this definition, a Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract, or otherwise.
7. "Aggregate Settled Claims Cap" means \$2,775,000,000.00.
8. "Allowed" means, with respect to any Claim (other than an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim) or Interest, (a) any Claim or Interest, proof of which was timely filed with the Bankruptcy Court or its duly appointed claims agent, or, by order of the Bankruptcy Court, was not required to be filed, (b) any Claim or Interest that has been, or hereafter is, listed in the Schedules, if filed, as liquidated in amount and not disputed or contingent, and, in reference to either (a) and (b) above, (i) which has not been disallowed by order of the Bankruptcy Court, (ii) as to which no objection to the allowance thereof has been filed within the applicable period of limitation fixed by the Plan, the

Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (iii) which has been allowed by a Final Order (but only to the extent so allowed).

9. “Allowed Amount” of any Claim means the amount at which that Claim is Allowed.
10. “Asbestos Bonded Claim” means any Asbestos PI Trust Claim relating to a judgment as to which, but only to the extent that, a supersedeas bond or such other similar filing was posted by or on behalf of a Debtor; *provided, however*, the amount of such Asbestos Bonded Claim shall not exceed the amount of judgment as determined by a Final Order or, if an Asbestos Unsecured PI Trust Claim, the Liquidated Amount determined pursuant to the Asbestos TDP.
11. “Asbestos Claimant Settlement Agreement” means an Asbestos/Silica PI Trust Claimant Settlement Agreement that concerns asbestos and is listed on Exhibit 3 to the Plan, as such exhibit may be amended or supplemented from time to time.
12. “Asbestos Committee” means the informal asbestos claimants committee created prior to the Petition Date and, if the context requires, an official asbestos claimants committee appointed in the Reorganization Cases by the United States Trustee.
13. “Asbestos Final Judgment Claim” means an Asbestos Unsecured PI Trust Claim reduced to a liquidated amount prior to the Confirmation Date by a final, nonappealable judgment.
14. “Asbestos PI Trust” means the tax-qualified settlement trust to be established pursuant to the Asbestos PI Trust Agreement.
15. “Asbestos PI Trust Additional Funding Agreement” means the agreement to be executed by the Debtors, Halliburton, and the Halliburton Current Affiliates on the Effective Date, in substantially the form attached as Exhibit 9 to the Plan, providing the Asbestos PI Trust with a right to payment of an amount equal to the amount of the Asbestos PI Trust Insurance Recoveries.
16. “Asbestos PI Trust Agreement” means the DII Industries, LLC Asbestos PI Trust Agreement, effective as of the Effective Date, substantially in the form attached as Exhibit 4 to the Plan, as it may be modified from time to time in accordance with the terms thereof.
17. “Asbestos PI Trust Assets” means (a) the Asbestos PI Trust Funding Agreement, (b) the Asbestos PI Trust Additional Funding Agreement, (c) the Halliburton Asbestos PI Trust Stock, (d) the Asbestos PI Trust Note, (e) the Halliburton Asbestos PI Trust Guarantee, (f) the DII Industries Pledge Agreement, and (g) the RHI Asbestos PI Trust Contribution, and (h) the Escrow Agreement, and all income, profits, and proceeds derived from any of the foregoing.
18. “Asbestos PI Trust Bylaws” means the DII Industries, LLC Asbestos PI Trust Bylaws, effective as of the Effective Date, substantially in the form attached as Annex 2 to the Asbestos PI Trust Agreement, as such bylaws may be modified from time to time in accordance with the terms of the Asbestos PI Trust Agreement and the terms thereof.
19. “Asbestos PI Trust Cash Contribution” means the amount of Cash to be funded into the Asbestos PI Trust on behalf of holders of Qualifying Settled Asbestos PI Trust Claims pursuant to the Asbestos PI Trust Funding Agreement.
20. “Asbestos PI Trust Claim” means (a) any Claim or Demand, including a claim for damages, if any, arising from the rejection of an executory contract, whether now existing or hereafter arising or asserted against a Halliburton Entity or a Harbison-Walker Entity, whether under a direct or indirect theory of liability, and/or (b) any debt, obligation, or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed,

contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured, or unsecured), whenever and wherever arising or asserted, whether under a direct or indirect theory of liability, of a Halliburton Entity or a Harbison-Walker Entity (including, without limitation, all debts, obligations, and liabilities in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty, whether under common law or by statute); in either case (a) or (b), for, resulting from, attributable to, or arising by reason of, directly or indirectly, physical, emotional, bodily, or other personal injury or damages (including, without limitation, any Claim or Demand for compensatory damages, loss of consortium, medical monitoring, survivorship, wrongful death, proximate, consequential, general, special or punitive damages, reimbursement, indemnity, warranty, contribution, or subrogation) whether or not diagnosable or manifested before the Confirmation of the Plan or the close of these Reorganization Cases, (x) caused or allegedly caused, in whole or in part, directly or indirectly (i) by asbestos or asbestos-containing products sold, installed, handled, used, specified, made, distributed, or removed by a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable or (ii) by services, actions, or operations provided, completed, performed, or taken with asbestos or asbestos-containing products by or at the direction of a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable, or (y) caused or allegedly caused by asbestos or asbestos-containing products for which a Halliburton Entity or a Harbison-Walker Entity, or other Entity, for which such Halliburton Entity or a Harbison-Walker Entity is or may be liable, is liable under any applicable law or by contract, whether or not arising, or allegedly arising, directly or indirectly from acts or omissions of such Halliburton Entity or a Harbison-Walker Entity, or other Entity for or with which a Halliburton Entity or a Harbison-Walker Entity is or may be liable. Asbestos PI Trust Claims include, without limitation, Asbestos Secured Claims, Asbestos Unsecured PI Trust Claims, Qualifying Settled Asbestos PI Trust Claims, Indirect Asbestos PI Trust Claims, Harbison-Walker Asbestos PI Trust Claims, Asbestos Final Judgment Claims, Asbestos Bonded Claims, and Asbestos PI Trust Expenses. For purposes of this definition, Asbestos PI Trust Claim does not include (i) liability for an Asbestos Property Damage Claim or (ii) any claim by any present or former employee of a Debtor for benefits under a policy of workers' compensation insurance or for benefits under any state or federal workers' compensation statute or other statute providing compensation to an employee from an employer to the extent that such claim is asserted against the Asbestos PI Trust by an individual claimant.

21. "Asbestos PI Trust Claimant" means the holder of an Asbestos Unsecured PI Trust Claim.
22. "Asbestos PI Trust Documents" means the Asbestos PI Trust Agreement, the Asbestos PI Trust Bylaws, the Asbestos TDP, the Asbestos PI Trust Funding Agreement, the Asbestos PI Trust Additional Funding Agreement, the Asbestos PI Trust Indemnification Agreement, and the other agreements, instruments, and documents governing the establishment, administration, and operation of the Asbestos PI Trust, as they may be amended or modified from time to time in accordance with the Plan and the terms of such documents.
23. "Asbestos PI Trust Expenses" means any liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of, the Asbestos PI Trust, except for payments to holders of Asbestos Unsecured PI Trust Claims on account of such Asbestos Unsecured PI Trust Claims.
24. "Asbestos PI Trust Funding Agreement" means the agreement, in substantially the form attached as Exhibit 8 to the Plan, to be entered into on the Effective Date between the Trustees of the Asbestos PI Trust and the Debtors with respect to the Asbestos PI Trust Cash Contribution and the mechanisms and procedures for payment of Qualifying Settled Asbestos PI Trust Claims.
25. "Asbestos PI Trust Indemnification Agreement" means the indemnification agreement attached as Annex 1 to the Asbestos PI Trust Agreement.

26. “Asbestos PI Trust Indemnified Claim” means any claim indemnified in accordance with any Asbestos PI Trust Document.
27. “Asbestos PI Trust Insurance Recoveries” means amounts collected, if any, by the Debtors, Reorganized Debtors, Halliburton, or the Halliburton Current Affiliates after the Petition Date under insurance policies on account of asbestos once the amount of proceeds collected under such policies on account of (a) asbestos and (b) silica liabilities exceeds \$2.3 billion; *provided, however*, that the amount of Asbestos PI Trust Insurance Recoveries shall not exceed \$700 million.
28. “Asbestos PI Trust Note” means the promissory note, in substantially the form attached as Exhibit 5 to the Plan, to be executed by DII Industries and delivered to the Asbestos PI Trust on the Effective Date.
29. “Asbestos Property Damage Claim” means (a) any claim or demand asserted against a Halliburton Entity or a Harbison-Walker Entity and (b) any debt, obligation or liability, whenever and wherever arising or asserted, of a Debtor (including, without limitation, all thereof in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty, whether under common law or by statute); in either case (a) or (b) for, relating to, or arising by reason of, directly or indirectly, property damage relating to asbestos, whether or not arising before the Confirmation of the Plan or the close of these Reorganization Cases, which is not also assertable as an Asbestos PI Trust Claim.
30. “Asbestos Property Damage Claimant” means the holder of an Asbestos Property Damage Claim.
31. “Asbestos Secured Claim” means an Asbestos PI Trust Claim, including an Asbestos Bonded Claim to the extent bonded with property of the Debtors’ Estates, that is also a Secured Claim.
32. “Asbestos TAC” means the Asbestos PI Trust Advisory Committee created pursuant to the Asbestos PI Trust Agreement, as may be reconstituted from time to time in accordance with the terms thereof.
33. “Asbestos TDP” means the trust distribution procedures, substantially in the form attached as Annex 3 to the Asbestos PI Trust Agreement, as such procedures may be modified from time to time in accordance with the terms thereof, the Asbestos PI Trust Agreement, and the Plan.
34. “Asbestos Unsecured PI Trust Claim” means any Asbestos PI Trust Claim except for an Asbestos Secured Claim to the extent such Claim is a Secured Claim.
35. “Asbestos/Silica In-Place Insurance Coverage” means any insurance coverage, not reduced to Cash settlement proceeds, available for the payment or reimbursement of liability, indemnity, or defense costs arising from, or related to, Asbestos PI Trust Claims, Silica PI Trust Claims, Asbestos PI Trust Expenses, or Silica PI Trust Expenses under any Asbestos/Silica Insurance Policy or any Asbestos/Silica Insurance Settlement Agreement.
36. “Asbestos/Silica Insurance Action” means any claim, cause of action, or right of a Debtor or Reorganized Debtor against any Asbestos/Silica Insurance Company concerning insurance coverage for Asbestos PI Trust Claims or Silica PI Trust Claims arising from or related to (a) any such Asbestos/Silica Insurance Company’s failure to provide or pay under Asbestos/Silica In-Place Insurance Coverage, (b) the refusal of any Asbestos/Silica Insurance Company to pay any obligation on, or compromise and settle, any Asbestos PI Trust Claim or Silica PI Trust Claim under or pursuant to any Asbestos/Silica Insurance Policy, or (c) the interpretation or enforcement of the terms of any Asbestos/Silica Insurance Policy with respect to any Asbestos PI Trust Claim or Silica PI Trust Claim.
37. “Asbestos/Silica Insurance Action Recoveries” means (a) certain Cash derived from, and paid pursuant to, Asbestos/Silica Insurance Settlement Agreements entered into prior or subsequent to the Confirmation

Hearing, (b) the right to receive proceeds of Asbestos/Silica In-Place Insurance Coverage, and (c) the right to receive the proceeds or benefits of any Asbestos/Silica Insurance Action.

- 38. “Asbestos/Silica Insurance Company” means any insurance company, insurance broker, guarantee association, or any other Entity with demonstrated or potential liability to a Debtor or Reorganized Debtor for coverage under an Asbestos/Silica Insurance Policy arising from or related to Asbestos PI Trust Claims and/or Silica PI Trust Claims.
- 39. “Asbestos/Silica Insurance Company Injunction” means the injunction set forth in article 10.3(b) of the Plan.
- 40. “Asbestos/Silica Insurance Policy” means those insurance policies and specific coverages providing coverage for asbestos or silica, including those policies listed on Exhibit 1 to the Plan, as such Exhibit may be amended and/or supplemented from time to time.
- 41. “Asbestos/Silica Insurance Settlement Agreement” means any settlement agreement, set forth on Exhibit 2 to the Plan, with a Settling Asbestos/Silica Insurance Company as such Exhibit may be amended and/or supplemented from time to time as permitted under the Plan.
- 42. “Asbestos/Silica PI Trust Claimant Settlement Agreement” means any settlement agreement listed on Exhibit 3 to the Plan, as the Exhibit may be amended and/or supplemented from time to time.
- 43. “Associated Settled Claims Costs” means fixed, per-claim costs payable to the Asbestos PI Trust and the Silica PI Trust pursuant to the Asbestos PI Trust Funding Agreement and the Silica PI Trust Funding Agreement, as the case may be.
- 44. “Balloting Agent” means The Trumbull Group, L.L.C.
- 45. “Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, as in effect on the Petition Date, together with all amendments and modifications thereto subsequently made, to the extent applicable to the Reorganization Cases.
- 46. “Bankruptcy Court” means the United States Bankruptcy Court for the Western District of Pennsylvania, Pittsburgh Division or, as the circumstances or context requires, the District Court.
- 47. “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 thereto subsequently made applicable to the Reorganization Cases.
- 48. “Barracuda” means Barracuda & Carratinga Leasing Company, B.V.
- 49. “Barracuda Contract” means the Turnkey Engineering Procurement and Construction Contract dated June 30, 2000 by and between Barracuda and KBR.
- 50. “BPM” means BPM Minerals, LLC, a New Jersey limited liability company.
- 51. “Brown & Root” means Brown & Root, Inc., a predecessor of KBR.
- 52. “Business Day” means any day other than a Saturday, Sunday, or legal holiday (as such term is defined in Bankruptcy Rule 9006(a)).

53. “Cash” means cash, cash equivalents, and other readily marketable securities or instruments, including, without limitation, direct obligations of the United States and certificates of deposit issued by federally insured banks.
54. “Claim” shall have the meaning ascribed to such term in section 101(5) of the Bankruptcy Code.
55. “Claimant” means the holder of a Claim.
56. “Class” means a category of Claims or Interests as defined in article III of the Plan.
57. “Confirmation” or “Confirmation of the Plan” means the approval of the Plan by the Bankruptcy Court and/or District Court at the Confirmation Hearing.
58. “Confirmation Date” means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court.
59. “Confirmation Hearing” means the hearing(s) that will be held before the Bankruptcy Court and/or District Court, in which the Debtors will seek Confirmation of the Plan.
60. “Confirmation Order” means the order of the Bankruptcy Court and/or District Court confirming the Plan pursuant to section 1129 and other applicable sections of the Bankruptcy Code.
61. “Debtor” means each of Mid-Valley, DII Industries, KBR, KBR Technical, KBR Engineering, KBR International (Delaware), KBR International (Panama), and BPM.
62. “Debtor-Affiliated Protected Party” means each of (a) the Halliburton Protected Parties, (b) the Harbison-Walker Protected Parties, (c) the Debtor-Indemnified Protected Parties, (d) the Lender Protected Parties, (e) the Transferee Protected Parties, and (f) the Successor Protected Parties.
63. “Debtor-Indemnified Protected Party” means those entities listed on Exhibit 17 to the Plan, but only to the extent that such entity is alleged to be liable for an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim for which a Debtor, Halliburton, or a Halliburton Current Affiliate has agreed, or is obligated by operation of law, to indemnify such Debtor-Indemnified Protected Party.
64. “Debtor in Possession” means each of Mid-Valley, DII Industries, KBR, KBR Technical, KBR Engineering, KBR International (Delaware), KBR International (Panama), and BPM.
65. “Demand” means a demand for payment, present or future, that (a) was not a Claim during the Reorganization Cases, (b) arises out of the same or similar conduct or events that gave rise to Asbestos PI Trust Claims and/or Silica PI Trust Claims, and (c) pursuant to the Plan is to be paid by the Asbestos PI Trust or Silica PI Trust.
66. “Derivative Claim” means any claim, liability, or cause of action that may arise, now or hereafter, that is derivative of a right of a Debtor, including, without limitation, (a) fraudulent-transfer, fraudulent-conveyance, or preference claims under applicable state or federal law, (b) denuding-the-corporation claims, single-business-enterprise claims, corporate trust fund claims, or claims against any Released Debtor Party or Released Non-Debtor Affiliate for breach of fiduciary duty or conspiracy, (c) claims asserted or assertable, by or on behalf of, a Debtor or by any other party, against any Released Debtor Party or Released Non-Debtor Affiliate, alleging (i) that any Released Debtor Party or Released Non-Debtor Affiliate was the mere instrumentality, agent, or alter ego of a Debtor or that the corporate veil of a Released Debtor Party or Released Non-Debtor Affiliate should be pierced, or (ii) that a Released Debtor Party or Released Non-Debtor Affiliate, as a result of domination and control or potential control over a Debtor, directly or indirectly, should be liable for Asbestos PI Trust Claims, Silica PI Trust Claims, or claims that have their origins in acts or omissions of a Debtor, or (iii) that any Released Debtor Party or

Released Non-Debtor Affiliate is successor-in-interest to a Debtor, or any Entity for or with which a Debtor or its successors are or may be liable, and accordingly responsible and liable for certain or all of such Debtor's obligations and legal liabilities, or (d) any claims related to insurance or the placement of insurance coverage under which a Debtor is or was an insured.

67. "DII Industries" means DII Industries, LLC, a Delaware limited liability company, f/k/a/ Dresser Industries, Inc.
68. "DII Industries Debentures" means DII Industries' 7.6% debentures due August 15, 2096.
69. "DII Industries Pledge Agreement" means the pledge agreement, in substantially the form attached as Exhibit 7 to the Plan, to be executed by HESI and delivered to the Asbestos PI Trust on the Effective Date.
70. "Direct Action" means any cause of action or right to bring a cause of action possessed by an Asbestos PI Trust Claimant or Silica PI Trust Claimant against an Asbestos/Silica Insurance Company on account of such Claimant's Asbestos PI Trust Claim or Silica PI Trust Claim, whether arising by contract or under the laws of any jurisdiction.
71. "Discharge Injunction" means the permanent injunction set forth in article 10.2 of the Plan.
72. "Disclosure Statement" means the Disclosure Statement for the Proposed Joint Prepackaged Plan of Reorganization for Mid-Valley, KBR, DII Industries, KBR Technical, KBR Engineering, KBR International (Delaware), KBR International (Panama), and BPM Under Chapter 11 of the United States Bankruptcy Code, dated September 18, 2003, including all exhibits attached thereto, as submitted by the Debtors pursuant to section 1125 of the Bankruptcy Code and approved by the Bankruptcy Court, as such Disclosure Statement may be further amended, supplemented, or modified from time to time.
73. "Disputed Claim" means, with respect to each Debtor:
 - (a) if no Proof of Claim has been filed by the applicable bar date or otherwise has been deemed timely filed under applicable law and the Debtors' Schedules have been filed, (i) a Claim that is listed on the Debtors' Schedules as other than disputed, contingent, or unliquidated, but as to which the Debtors or any other party in interest has filed an objection by the claims objection bar date, but only to the extent of the difference between the amount of the Claim listed in the Schedules and the amount of such Claim asserted in the objection or (ii) a Claim that is listed on the Debtors' Schedules as disputed, contingent, or unliquidated; or
 - (b) if a Proof of Claim or request for payment of an Administrative Claim has been filed by the bar date or has otherwise been deemed timely filed under applicable law, a Claim for which an objection has been filed by the Debtors or any other party in interest, as the case may be, by the claims objection bar date, if such objection has not been withdrawn or denied by a Final Order, but only to the extent of the difference between the amount of the Claim asserted in the Proof of Claim and the amount of such Claim asserted in the objection.
74. **"Disputed Settled Claim" means a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim (a) whose holder has been given final notification by the Debtors that the claim has been determined not to satisfy the medical criteria for payment under the applicable agreement and (b) whose holder has notified the Debtors of such holder's intent to commence a proceeding of a type specified in article 12.2 of the Plan on or before the Notification Date.**
75. **74.-"Distribution Amount"** means the product obtained by multiplying the Liquidated Amount of an Asbestos Unsecured PI Trust Claim or Silica Unsecured PI Trust Claim by the applicable Payment Percentage.

- 76.** ~~75.~~–“Distribution Date” means, when used with respect to an Allowed Claim (other than an Asbestos Unsecured PI Trust Claim or Silica Unsecured PI Trust Claim), the date which is as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date on which the order allowing such Claim becomes a Final Order.
- 77.** ~~76.~~–“District Court” means the United States District Court assigned to preside over the Reorganization Cases.
- 78.** ~~77.~~–“Dresser Industries” means Dresser Industries, Inc., a Delaware corporation.
- 79.** ~~78.~~–“Effective Date” means, and shall occur on, the first day upon which all of the conditions to occurrence of the Effective Date contained in article 8.1 of the Plan have been satisfied, or waived in writing pursuant to article 8.2 of the Plan.
- 80.** ~~79.~~–“Entity” shall have the meaning set forth in section 101(15) of the Bankruptcy Code.
- 81.** ~~80.~~–“Environmental Laws” means (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601, *et seq.*, (b) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendment of 1984, 42 U.S.C. §§ 6901, *et seq.*, (c) the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.*, (d) the Clean Water Act of 1977, 33 U.S.C. §§ 1251, *et seq.*, (e) the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*, (f) all statutes or laws issued or promulgated by any Governmental Unit, as they may be amended from time to time, relating to environmental contamination or pollution, air pollution, water pollution, noise control, and/or the handling, discharge, existence, release, disposal, or recovery of on-site or off-site hazardous, toxic or dangerous wastes, substances, chemicals, or materials, and (g) the ordinances, rules, regulations, orders, notices of violation, requests, demands, and requirements issued or promulgated by any Governmental Unit in connection with such statutes or laws.
- 82.** ~~81.~~–“Equitas” shall mean (i) Equitas Limited, Equitas Reinsurance Limited, Equitas Holdings Limited, Equitas Management Services Limited, and Equitas Policyholders Trust Limited; (ii) all the present and former officers, directors, trustees, employees, subsidiaries, affiliates, representatives, attorneys and agents of the entities set forth in sub-paragraph (i) hereof, and their respective predecessors and successors, if any, in such capacity; and (iii) the respective heirs, executors, administrators, successors, assigns and reinsurers (as such) of any of the Persons identified in sub-paragraphs (i) and (ii) hereof.
- 83.** ~~“Escrow Agent” means the escrow agent named in the Escrow Agreement.~~
- 84.** ~~“Escrow Agreement” means the agreement, in substantially the form attached as Exhibit 22 to the Plan, to be entered into on the Effective Date.~~
- 85.** ~~82.~~–“Estates” means the estates created for the Debtors pursuant to section 541 of the Bankruptcy Code on the Petition Date.
- 86.** ~~83.~~–“Final Order” means an order of a court: (a) as to which the time to appeal, petition for writ of certiorari, or otherwise seek appellate review or to move for reargument, rehearing, or reconsideration has expired and as to which no appeal, petition for writ of certiorari, or other appellate review, or proceedings for reargument, rehearing, or reconsideration shall then be pending; (b) or as to which any right to appeal, petition for certiorari, or move for reargument or rehearing shall have been waived in writing by the party with such right; or (c) in the event that an appeal, writ of certiorari, or other appellate review or reargument, rehearing, or reconsideration thereof has been sought, which shall have been affirmed by the highest court to which such order was appealed from which writ of certiorari or other appellate review or reargument, rehearing, or reconsideration was sought, and as to which the time to take any further appeal, to petition for

writ of certiorari, to otherwise seek appellate review, and to move for reargument, rehearing, or reconsideration shall have expired; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or under section 1144 of the Bankruptcy Code, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

- 87.** 84. “First Amended Plan” means the Plan as amended by the First Amendment to Joint Prepackaged Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, and all exhibits attached thereto or referenced therein.
- 88.** 85. “General Unsecured Claim” means an Unsecured Claim that is not an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim.
- 89.** 86. “GIT Affiliate” means any Affiliate of a GIT Debtor or a Reorganized GIT Debtor. For purposes of this definition, GIT Affiliate includes (i) any Affiliate existing as of the date of the Harbison-Walker Settlement Agreement or any future Affiliate of such an Affiliate and (ii) each of the RHI Entities.
- 90.** 87. “GIT Debtor” means ANH Refractories Company, A.P. Green Industries, Inc., A.P. Green International, Inc., A.P. Green Refractories, Inc., A.P. Green Services, Inc., APG Development Corp., APG Refractories Corp., Chiam Technologies, Inc., Detrick Refractory Fibers, Inc., Global Industrial Technologies, Inc., Global Industrial Technologies Services, Inc., Global Processing Systems, Inc., GPX Acquisition, Inc., GPX Corp., GIX Foreign Sales Corp., GPX Forge, Inc., GPX Forge-U, Inc., Harbison-Walker, Harbison-Walker International Refractories, Inc., Harbison-Walker Refractories Europe, Ltd., Indresco International Ltd., Intogreen Co., Lanxide Thermocomposites, Inc., RHI American Receivables Corporation, RHI Refractories America, Inc., and TMPSC, Inc.
- 91.** 88. “Governmental Unit” means any domestic, foreign, provincial, federal, state, local, or municipal government, governmental agency, commission, department, bureau, ministry, or other governmental entity.
- 92.** 89. “Halliburton” means Halliburton Company, a Delaware corporation.
- 93.** 90. “Halliburton Asbestos PI Trust Guarantee” means the guarantee, in substantially the form attached as Exhibit 6 to the Plan, to be executed by Halliburton and delivered to the Asbestos PI Trust to guarantee the obligations of DII Industries under the Asbestos PI Trust Note.
- 94.** 91. “Halliburton Asbestos PI Trust Stock” means the 59.5 million shares of common stock to be contributed to the Asbestos PI Trust pursuant to the Plan; *provided, however*, that the common stock contributed shall be subject to adjustment for any subdivision, combination, or distribution with respect to the common stock of Halliburton occurring after the Solicitation Date and prior to the Effective Date, so that the Asbestos PI Trust will own, or be entitled to receive, the same kind and number of securities of Halliburton that the Asbestos PI Trust would have owned or been entitled to receive if the 59.5 million shares of common stock had been issued to the Asbestos PI Trust prior to the date of any such subdivision, combination, or distribution.
- 95.** 92. “Halliburton Current Affiliate” means those entities listed on Exhibit 16 to the Plan, as such Exhibit may be amended and/or supplemented through the Confirmation Date.
- 96.** 93. “Halliburton Entity” means each of (a) the Debtors, (b) Halliburton, (c) the Halliburton Current Affiliates, and (d) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.

- 97.** ~~94.~~–“Halliburton Future Affiliate” means any Entity that becomes an Affiliate of Halliburton after the Confirmation Date, but only to the extent that such Affiliate is alleged to have liability on account of being an Affiliate of, successor of, successor-in-interest to, direct or indirect transferee of, or successor to, any assets of a Debtor, Halliburton, or a Halliburton Current Affiliate.
- 98.** ~~95.~~–“Halliburton Group” means Halliburton and its current and future affiliates.
- 99.** ~~96.~~–“Halliburton Intercompany Settlement Agreement” means the settlement agreement between the Debtors and Halliburton attached as Exhibit 15 to the Plan.
- 100.** ~~97.~~–“Halliburton Protected Party” means each of (a) the Debtors, (b) the Reorganized Debtors, (c) Halliburton, (d) the Halliburton Current Affiliates, (e) the Halliburton Future Affiliates, and (f) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
- 101.** ~~98.~~–“Halliburton Silica PI Trust Guarantee” means the guarantee, in substantially the form attached as Exhibit 12 to the Plan, to be executed by Halliburton and delivered to the Silica PI Trust to guarantee the obligations of DII Industries and KBR under the Silica PI Trust Note.
- 102.** ~~99.~~–“Harbison-Walker” means Harbison-Walker Refractories Company, a Delaware corporation and a debtor in Case No. 02-21626 (Jointly Administered) before the Bankruptcy Court.
- 103.** ~~100.~~–“Harbison-Walker Asbestos PI Trust Claim” means an Asbestos Unsecured PI Trust Claim that is also assertable against one or more of the Harbison-Walker Entities.
- 104.** ~~101.~~–“Harbison-Walker Cases” means the jointly administered bankruptcy cases of the GIT Debtors before the Bankruptcy Court.
- 105.** ~~102.~~–“Harbison-Walker Entity” means each of (a) Harbison-Walker, (b) Harbison-Walker Refractories Europe, Ltd., (c) Indresco International Ltd., (d) Indresco Jeffrey Industria e Commercio Ltda., and (e) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
- 106.** ~~103.~~–“Harbison-Walker Protected Party” means each of (a) the GIT Debtors, (b) the Reorganized GIT Debtors, (c) the GIT Affiliates, and (d) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such but, with respect to each Harbison-Walker Protected Party, only to the extent that such is alleged to be liable for an Asbestos Unsecured PI Trust Claim or a Silica Unsecured PI Trust Claim.
- 107.** ~~104.~~–“Harbison-Walker Refractories” means the former Harbison-Walker Refractories division of Dresser Industries.
- 108.** ~~105.~~–“Harbison-Walker Settlement Agreement” means the settlement agreement, attached as Exhibit O to the Disclosure Statement, between the GIT Debtors, on the one hand, and DII Industries and Halliburton, on the other.
- 109.** ~~106.~~–“Harbison-Walker Shared Insurance Policies” means the insurance policies listed on Exhibit A to the Harbison-Walker Settlement Agreement.
- 110.** ~~107.~~–“Harbison-Walker Silica PI Trust Claim” means a Silica Unsecured PI Trust Claim that is also assertable against one or more of the Harbison-Walker Entities.

- 111.** ~~108.~~ “HESI” means Halliburton Energy Services, Inc., a Delaware corporation.
- 112.** ~~109.~~ “HESI Notes” means the promissory notes of HESI to be issued to DII Industries in connection with the prefilings restructuring transactions described in section 1.5 of the Disclosure Statement.
- 113.** ~~110.~~ “Indirect Asbestos PI Trust Claim” means a Claim or Demand that (a) is based upon a right of contribution, reimbursement, subrogation, indemnity (whether arising by contract or by operation of law) or virile share (as those terms are defined by the nonbankruptcy law of any relevant jurisdiction), or similar Claims or Demands, whether or not such Claim or Demand is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or legal bases therefore are known or unknown, and regardless of whether in the nature of, or sounding in, contract, tort, warranty, guarantee, contribution, joint and several liability, subrogation, reimbursement, indemnity, statutory right, conspiracy, conducting a fraudulent defense, or any other theory of law, equity, or admiralty and (b) asserts liability or responsibility, directly or indirectly, arising out of, attributable to, or resulting from, an Asbestos PI Trust Claim.
- 114.** ~~111.~~ “Indirect Silica PI Trust Claim” means a Claim or Demand that (a) is based upon a right of contribution, reimbursement, subrogation, indemnity (whether arising by contract or by operation of law) or virile share (as those terms are defined by the nonbankruptcy law of any relevant jurisdiction), or similar Claims or Demands, whether or not such Claim or Demand is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or legal bases therefore are known or unknown, and regardless of whether in the nature of, or sounding in, contract, tort, warranty, guarantee, contribution, joint and several liability, subrogation, reimbursement, indemnity, statutory right, conspiracy, conducting a fraudulent defense, or any other theory of law, equity, or admiralty and (b) asserts liability or responsibility, directly or indirectly, arising out of, attributable to, or resulting from a Silica PI Trust Claim.
- 115.** ~~112.~~ “Initial Payment Percentage” means the fraction the numerator of which is \$2.775 billion and the denominator of which is the sum of (a) the aggregate value of Qualified Claims as of the Initial Payment Percentage Determination Date; provided and (b) the aggregate value of Disputed Settled Claims as of the close of business on the Notification Date; provided, however, that the Initial Payment Percentage shall be recalculated on the thirtieth (30th) day after each anniversary of the Effective Date to be the fraction the numerator of which is \$2.775 billion and the denominator of which is the sum of (a) the aggregate value of Qualified Claims as of that date and (b) the aggregate value of Unresolved Disputed Settled Claims as of that date; provided, further, however, that the Initial Payment Percentage shall not be greater than 100% or lower than 89.95%.
- 116.** ~~113.~~ “Initial Payment Percentage Determination Date” means the one-hundred and fifth (105th) day following entry of the Confirmation Order.
- 117.** ~~114.~~ “Injunctions” means the Discharge Injunction, the Permanent Channeling Injunction, the Asbestos/Silica Insurance Company Injunction, and the 346 Injunction issued by the Bankruptcy Court or the District Court in the Reorganization Cases.
- 118.** ~~115.~~ “Intercompany Claims” means all claims by and between (a) one Debtor and another Debtor and/or (b) any Debtor and Halliburton or a Halliburton Current Affiliate.
- 119.** ~~116.~~ “Intercompany Settlement Claims” means any and all claims included within the scope of claims to be released under the Halliburton Intercompany Settlement Agreement.
- 120.** ~~117.~~ “Interest” means the rights of the holders of the equity securities of a Debtor and the rights of any Entity to purchase or demand the issuance of any equity security of such Debtor, including (a) redemption,

conversion, exchange, voting, participation, and dividend rights, (b) liquidation preferences, and (c) stock options and warrants.

- 121.** ~~118.~~ “IRC” means the Internal Revenue Code of 1986, as amended.
- 122.** ~~119.~~ “KBR” means Kellogg Brown & Root, Inc., a Delaware corporation.
- 123.** ~~120.~~ “KBR Debtors” means KBR and the KBR Subsidiaries.
- 124.** ~~121.~~ “KBR Engineering” means Kellogg Brown & Root Engineering Corporation, a New York corporation.
- 125.** ~~122.~~ “KBR International (Delaware)” means Kellogg Brown & Root International, Inc., a Delaware corporation.
- 126.** ~~123.~~ “KBR International (Panama)” means Kellogg Brown & Root International, Inc., a Panamanian corporation.
- 127.** ~~124.~~ “KBR Services” means Kellogg Brown & Root Services, Inc.
- 128.** ~~125.~~ “KBR Subsidiaries” means Mid-Valley, KBR Technical, KBR Engineering, KBR International (Delaware), and KBR International (Panama).
- 129.** ~~126.~~ “KBR Technical” means KBR Technical Services, Inc., a Delaware corporation.
- 130.** ~~127.~~ “Legal Representative” means the Legal Representative for future and unknown Asbestos PI Trust Claimants and Silica PI Trust Claimants, who shall be Professor Eric D. Green, or such other individual as may be appointed by the Bankruptcy Court to protect the rights of persons that might, subsequent to the Confirmation Date, assert Demands.
- 131.** ~~128.~~ “Lender Protected Party” means any Entity that makes a loan to (a) a Reorganized Debtor, (b) a Halliburton Entity, (c) a Harbison-Walker Protected Party, (d) the Asbestos PI Trust, or (e) the Silica PI Trust, or makes a loan to a successor of, successor-in-interest to, or direct or indirect transferee of any of the foregoing, but only to the extent that liability is asserted to exist by reason of such Entity becoming such a lender or to the extent that any pledge of assets made in connection with such a loan is sought to be upset or impaired.
- 132.** ~~129.~~ “Liberty Mutual” shall mean Liberty Mutual Insurance Company; all of its present and former officers, directors, employees, subsidiaries, affiliates, representatives, attorneys and agents, and their respective predecessors and successors, if any, in such capacity, and the respective heirs, executors, administrators, successors, assigns and reinsurers (as such) of any of the foregoing.
- 133.** ~~130.~~ “LIBOR” means the London interbank offered rate of interest.
- 134.** ~~131.~~ “Lien” means, with respect to any asset or property, any mortgage, lien, pledge, charge, security interest, encumbrance, or other security device of any kind pertaining to, or affecting such asset or property.
- 135.** ~~132.~~ “Liquidated Amount” means, (a) with respect to any Asbestos PI Trust Claim or Silica PI Trust Claim liquidated by settlement, the amount set forth in an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, provided that the Claimant satisfies the conditions for payment set forth in such agreement, (b) with respect to an Asbestos Final Judgment Claim or Silica Final Judgment Claim, the amount of such

judgment, or (c) for all other Asbestos PI Trust Claims or Silica PI Trust Claims, the amount established pursuant to the Asbestos TDP or Silica TDP, as the case may be.

- 136.** ~~133.~~–“Liquidated Asbestos PI Trust Claim” means (a) a Qualifying Settled Asbestos PI Trust Claim, (b) an Asbestos Final Judgment Claim, or (c) an Unliquidated Asbestos PI Trust Claim that has been reduced to a Liquidated Amount under the Asbestos TDP.
- 137.** ~~134.~~–“Liquidated Silica PI Trust Claim” means (a) a Qualifying Settled Silica PI Trust Claim, (b) a Silica Final Judgment Claim, or (c) an Unliquidated Silica PI Trust Claim that has been reduced to a Liquidated Amount under the Silica TDP.
- 138.** ~~135.~~–“Liquidation Analysis” means the liquidation analysis attached as Exhibit E to the Disclosure Statement.
- 139.** ~~136.~~–“Maximum Annual Payment” means the maximum annual payment that may be established by the Trustees of the Asbestos PI Trust or Silica PI Trust, as the case may be, pursuant to the Asbestos TDP or Silica TDP.
- 140.** ~~137.~~–“Medical/Exposure Criteria” means the presumptive medical/exposure criteria established respectively under the Asbestos TDP or Silica TDP.
- 141.** ~~138.~~–“Mid-Valley” means Mid-Valley, Inc., a Pennsylvania corporation.
- 142.** ~~139.~~–“Mid-Valley Pledge Agreement” means the pledge agreement, in substantially the form attached as Exhibit 13 to the Plan, to be executed by KBR and delivered to the Silica PI Trust on the Effective Date.
- 143.** ~~140.~~–“M.W. Kellogg” means The M.W. Kellogg Company, a predecessor of KBR.
- 144.** ~~141.~~–“Non-Compensatory Damages” means any damages awarded by a court of competent jurisdiction that are penal in nature, including, without limitation, punitive, punitory, exemplary, vindictive, imaginary, or presumptive damages.
- 145.** **“Notification Date” means the thirtieth day after the holder of a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim that the Debtors have determined not to satisfy the medical criteria for payment under the applicable agreement is served with a copy of the Bankruptcy Court’s order approving the Debtors’ post-confirmation plan amendment dated November 5, 2004.**
- 146.** ~~142.~~–“Other Secured Claim” means a Secured Claim that is not an Asbestos Secured Claim or a Silica Secured Claim.
- 147.** ~~143.~~–“Payment Percentage” means (a) the Initial Payment Percentage with respect to (i) Qualifying Settled Asbestos PI Trust Claims, (ii) Qualifying Settled Silica PI Trust Claims, (iii) Asbestos Final Judgment Claims, and (iv) Silica Final Judgment Claims, (b) the payment percentage established by the Trustees of the Asbestos PI Trust, with consent of the Legal Representative and the Asbestos TAC, for Asbestos Unsecured PI Trust Claims liquidated under the Asbestos TDP (other than claims paid as Disease Level I claims under the Asbestos TDP); *provided, however*, that such Payment Percentage shall not exceed the Initial Payment Percentage prior to the first (1st) anniversary of the Effective Date, (c) the payment percentage established by the Trustee of the Silica PI Trust, with consent of the Legal Representative and the Silica TAC, for Silica Unsecured PI Trust Claims liquidated under the Silica TDP; *provided, however*, that such Payment Percentage shall not exceed the Initial Payment Percentage prior to the first (1st) anniversary of the Effective Date, and (d) 100% for Asbestos Unsecured PI Trust Claims liquidated under the Asbestos TDP and paid as claims for Other Asbestos Disease (Disease Level I).

- 148.** ~~144.~~ “PBGC” means the Pension Benefit Guaranty Corporation.
- 149.** ~~145.~~ “Pension Plans” means any ongoing, defined benefit pension plans to which the Debtors are contributing sponsors and to which Title IV of the Employee Retirement Income Security Act applies.
- 150.** ~~146.~~ “Permanent Channeling Injunction” means the injunction set forth in article 10.3(a) of the Plan.
- 151.** ~~147.~~ “Person” means any person, individual, partnership, corporation, limited liability company, joint venture company, association or other entity or being of whatever kind, whether or not operating or existing for profit, including, without limitation, any “person” as such term is defined in section 101(41) of the Bankruptcy Code, but excluding any Governmental Unit.
- 152.** ~~148.~~ “Petition Date” means the date on which the Reorganization Cases are commenced with the filing of voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
- 153.** ~~149.~~ “Plan” means the Joint Prepackaged Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, as amended by the First Amendment to Joint Prepackaged Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, and all exhibits attached thereto or referenced therein, as the same may be amended, modified, or supplemented.
- 154.** ~~150.~~ “Plan Documents” means the Plan, the Disclosure Statement, and all documents, attachments, and exhibits attached to the Plan or the Disclosure Statement that aid in effectuating the Plan, including, without limitation, the Asbestos PI Trust Documents and the Silica PI Trust Documents, as the same may be amended, modified, or supplemented, in accordance with their terms, and the Asbestos/Silica PI Trust Claimant Settlement Agreements and the Asbestos/Silica Insurance Settlement Agreements.
- 155.** ~~151.~~ “Plan-Process Participants” means the Debtors, Halliburton, the Halliburton Current Affiliates, the Asbestos Committee, the Unsecured Creditors Committee, if one is appointed, the Legal Representative, as well as the respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives of the foregoing, in their respective capacities as such.
- 156.** ~~152.~~ “Priority Claim” means any Claim (other than an Administrative Claim or a Priority Tax Claim) to the extent such Claim is entitled to a priority in payment under section 507(a) of the Bankruptcy Code.
- 157.** ~~153.~~ “Priority Tax Claim” means any Claim to the extent that such Claim is entitled to a priority in payment under section 507(a)(8) of the Bankruptcy Code.
- 158.** ~~154.~~ “Professional Persons” means Persons retained or to be compensated under sections 327, 328, 330, 503(b), and 1102 of the Bankruptcy Code.
- 159.** ~~155.~~ “Proof of Claim” means any proof of claim filed with the Bankruptcy Court with respect to a Debtor pursuant to Bankruptcy Code section 501 and Bankruptcy Rules 3001 or 3002.
- 160.** ~~156.~~ “Qualified Claim” means a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim that (a) is covered by an Asbestos/Silica PI Trust Claimant Settlement Agreement listed on Exhibit 3 to the Plan, as amended as of November 14, 2003, and (b) has been determined by the Debtors to satisfy the medical criteria for payment under the applicable settlement agreement, regardless of when, how, and by whom such claim is paid.
- 161.** ~~157.~~ “Qualifying Settled Asbestos PI Trust Claim” means a Settled Asbestos PI Trust Claim that satisfies all of the conditions for payment under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.

- 162.** ~~158.~~–“Qualifying Settled PI Trust Claim” means a Qualifying Settled Asbestos PI Trust Claim or a Qualifying Settled Silica PI Trust Claim.
- 163.** ~~159.~~–“Qualifying Settled Silica PI Trust Claim” means a Settled Silica PI Trust Claim that satisfies all of the conditions for payment set forth under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.
- 164.** ~~160.~~–“Released Claim” means any claim that is (a) an Asbestos PI Trust Claim, (b) a Silica PI Trust Claim, or (c) a Derivative Claim.
- 165.** ~~161.~~–“Released Debtor Party” means each of (a) the Debtors, (b) the Reorganized Debtors, and (c) the Debtors’ and Reorganized Debtors’ present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and the employees of each of the foregoing, in their respective capacities as such.
- 166.** ~~162.~~–“Released Non-Debtor Affiliate” means each of (a) Halliburton, (b) Halliburton Current Affiliates, (c) the respective successors, successors-in-interest, and assigns (by merger, assignment of assets, consolidation, operation of law, or otherwise) of any of the foregoing, and (d) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing, in their respective capacities as such.
- 167.** ~~163.~~–“Reorganization Cases” means the cases of the Debtors under chapter 11 of the Bankruptcy Code before the Bankruptcy Court.
- 168.** ~~164.~~–“Reorganized Debtor” means each of Mid-Valley, DII Industries, KBR, KBR Engineering, KBR International (Delaware), KBR International (Panama), KBR Technical, or BPM and/or any of their successors, successors-in-interest, and assigns (by merger, assignment of assets, consolidation, operation of law, or otherwise, including any Entity or Entities designated as successor or successor-in-interest in the Confirmation Order), on or after the Effective Date.
- 169.** ~~165.~~–“Reorganized GIT Debtor” means any GIT Debtor that is reorganized pursuant to a plan of reorganization under chapter 11 of the Bankruptcy Code.
- 170.** ~~166.~~–“RHI Asbestos PI Trust Contribution” means the \$950,000.00 payment to be made by DII Industries to the Asbestos PI Trust on behalf of the RHI Entities pursuant to the Settlement and Mutual Release Agreement entered into between DII Industries and RHI Refractories, dated April 8, 2004.
- 171.** ~~167.~~–“RHI Entities” means each of those Entities listed on Exhibit 19 to the Plan, and their respective successors or assigns.
- 172.** ~~168.~~–“RHI Refractories” means RHI Refractories Holding Company.
- 173.** ~~169.~~–“RHI Silica PI Trust Contribution” means the \$50,000.00 payment to be made by DII Industries to the Silica PI Trust on behalf of the RHI Entities pursuant to the Settlement and Mutual Release Agreement entered into between DII Industries and RHI Refractories, dated April 8, 2004.
- 174.** ~~170.~~–“Schedules” means the schedules, statements, and lists filed by the Debtors with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, if such documents are filed, as may be amended or supplemented from time to time.
- 175.** ~~171.~~–“SEC” means the United States Securities and Exchange Commission.

- 176.** ~~172.~~–“Secured Claim” means any Claim that is (a) secured in whole or part, as of the Petition Date, by a Lien against property of a Debtor or a Harbison-Walker Entity that is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, or (b) subject to setoff under section 553 of the Bankruptcy Code; *provided, however*, with respect to both (a) and (b) above, a Claim is a Secured Claim only to the extent of the value, net of any senior Lien, of the Estate’s interest in the assets or property securing any such Claim or the amount subject to setoff, as the case may be.
- 177.** ~~173.~~–“Settled Asbestos PI Trust Claim” means an Asbestos PI Trust Claim settled pursuant to an Asbestos/Silica PI Trust Claimant Settlement Agreement, subject to the satisfaction of the terms and conditions therein.
- 178.** ~~174.~~–“Settled Asbestos PI Trust Claimant” means a holder of a Settled Asbestos PI Trust Claim.
- 179.** ~~175.~~–“Settled PI Trust Claim” means a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim.
- 180.** ~~176.~~–“Settled Silica PI Trust Claim” means a Silica PI Trust Claim settled pursuant to an Asbestos/Silica PI Trust Claimant Settlement Agreement, subject to the satisfaction of the terms and conditions therein.
- 181.** ~~177.~~–“Settled Silica PI Trust Claimant” means a holder of a Settled Silica PI Trust Claim.
- 182.** ~~178.~~–“Settlement Amount” means the amount of a Qualifying Settled Asbestos PI Trust Claim or a Qualified Settled Silica PI Trust Claim under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement.
- 183.** ~~179.~~–“Settlement Released Parties” means (a) with respect to any Debtor, each of the other Debtors, (b) Halliburton, (c) each of the Halliburton Current Affiliates, (d) each of the Halliburton Future Affiliates, (e) the successors of, successors-in-interest to, direct or indirect transferees of, or successors to any assets of, any of the foregoing, and (f) the present and former directors, officers, agents, attorneys, accountants, consultants, financial advisors, investment bankers, professionals, experts, and employees of any of the foregoing in their respective capacities as such.
- 184.** ~~180.~~–“Settling Asbestos/Silica Insurance Company” means any Asbestos/Silica Insurance Company that has entered into an Asbestos/Silica Insurance Settlement Agreement that is sufficiently comprehensive, in the sole judgment of a Debtor or Reorganized Debtor, to warrant treatment under section 524(g) of the Bankruptcy Code, which determination by such Debtor shall be indicated (a) by the inclusion of such Asbestos/Silica Insurance Settlement Agreement and Settling Asbestos/Silica Insurance Company on Exhibit 2 to the Plan or an amendment thereto or (b) if after the Effective Date, by filing a notice with the Bankruptcy Court and serving a copy of such notice on the parties identified in article 13.16 of the Plan.
- 185.** ~~181.~~–“Silica Bonded Claim” means any Silica PI Trust Claim relating to a judgment as to which, but only to the extent that, a supersedeas bond or such other similar filing was posted by or on behalf of a Debtor; *provided, however*, the amount of such Silica Bonded Claim shall not exceed the amount of judgment as determined by a Final Order or, if a Silica Unsecured PI Trust Claim, as liquidated pursuant to the Silica TDP.
- 186.** ~~182.~~–“Silica Claimant Settlement Agreement” means an Asbestos/Silica PI Trust Claimant Settlement Agreement that concerns silica and is listed on Exhibit 3 to the Plan, as the exhibit may be amended or supplemented from time to time.
- 187.** ~~183.~~–“Silica Final Judgment Claim” means a Silica Unsecured PI Trust Claim reduced to a liquidated amount prior to the Confirmation Date by a final, nonappealable judgment.

- 188.** ~~184.~~ “Silica PI Trust” means the tax-qualified settlement trust to be established pursuant to the Silica PI Trust Agreement.
- 189.** ~~185.~~ “Silica PI Trust Agreement” means the Silica PI Trust Agreement, effective as of the Effective Date, substantially in the form attached as Exhibit 10 to the Plan, as it may be modified from time to time.
- 190.** ~~186.~~ “Silica PI Trust Assets” means (a) the Silica PI Trust Initial Cash Amount, (b) the Silica PI Trust Funding Agreement, (c) the Silica PI Trust Note, (d) the Halliburton Silica PI Trust Guarantee, (e) the Mid-Valley Pledge Agreement, ~~and (f) the RHI Silica PI Trust Contribution,~~ **and (g) the Escrow Agreement,** and all income, profits, and proceeds derived from any of the foregoing.
- 191.** ~~187.~~ “Silica PI Trust Bylaws” means the Silica PI Trust Bylaws, effective as of the Effective Date, substantially in the form attached as Annex 2 to the Silica PI Trust Agreement, as such bylaws may be modified from time to time in accordance with the terms of the Silica PI Trust Agreement.
- 192.** ~~188.~~ “Silica PI Trust Cash Contribution” means the amount of Cash to be funded into the Silica PI Trust on behalf of holders of Qualifying Settled Silica PI Trust Claims pursuant to the Silica Trust Funding Agreement.
- 193.** ~~189.~~ “Silica PI Trust Claim” means (a) any Claim or Demand, including a claim for damages, if any, arising from the rejection of an executory contract, whether now existing or hereafter arising or asserted against a Halliburton Entity or a Harbison-Walker Entity, and/or (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured, or unsecured), whenever and wherever arising or asserted, whether under a direct or indirect theory of liability, of a Halliburton Entity or a Harbison-Walker Entity (including, without limitation, all debts, obligations, and liabilities in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty, whether under common law or by statute); in either case (a) or (b), for, resulting from, attributable to, or arising by reason of, directly or indirectly, physical, emotional, bodily, or other personal injury or damages (including, without limitation, any Claim or Demand for compensatory damages, loss of consortium, medical monitoring, survivorship, wrongful death, proximate, consequential, general, special or punitive damages, reimbursement, indemnity, warranty, contribution or subrogation) whether or not diagnosable or manifested before the Confirmation of the Plan or the close of these Reorganization Cases, (x) caused or allegedly caused, in whole or in part, directly or indirectly (i) by silica or silica-containing products sold, installed, handled, used, specified, made, distributed, or removed by a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable or (ii) by services, actions, or operations provided, completed, performed, or taken with silica or silica-containing products by or at the direction of a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable, or (y) caused or allegedly caused by silica or silica-containing products for which a Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable, are liable under any applicable law or by contract, whether or not arising, or allegedly arising, directly or indirectly from acts or omissions of such Halliburton Entity or a Harbison-Walker Entity, or other Entity for which a Halliburton Entity or a Harbison-Walker Entity is or may be liable. Silica PI Trust Claims include, without limitation, Silica Secured PI Trust Claims, Silica Unsecured PI Trust Claims, Qualifying Settled Silica PI Trust Claims, Indirect Silica PI Trust Claims, Harbison-Walker Silica PI Trust Claims, Silica Final Judgment Claims, Silica Bonded Claims, and Silica PI Trust Expenses. For purposes of this definition, Silica PI Trust Claim does not include (i) any claim by any present or former employee of a Debtor for benefits under a policy of workers’ compensation insurance or for benefits of any state or federal workers’ compensation statute or other statute providing compensation to an employee from an employer to the extent that such claim is asserted against the Silica PI Trust by an individual claimant, or (ii) any Silica PI Trust Claim that is also assertable as an Asbestos PI Trust Claim.

- 194.** ~~190.~~ “Silica PI Trust Claimant” means the holder of a Silica Unsecured PI Trust Claim.
- 195.** ~~191.~~ “Silica PI Trust Documents” means the Silica PI Trust Agreement, the Silica PI Trust Bylaws, the Silica TDP, and the other agreements, instruments, and documents governing the establishment, administration, and operation of the Silica Trust, as such may be amended or modified from time to time in accordance with the Plan and the terms of such documents.
- 196.** ~~192.~~ “Silica PI Trust Expenses” means any of the silica expenses, and any other liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of the Silica PI Trust (except for payments to holders of Silica PI Trust Claims on account of such Silica PI Trust Claims).
- 197.** ~~193.~~ “Silica PI Trust Funding Agreement” means the agreement, in substantially the form attached as Exhibit 14 to the Plan, to be entered into on the Effective Date between the Trustees of the Silica PI Trust and the Reorganized Debtors with respect to the Silica PI Trust Cash Contribution and the mechanisms and procedures for payment of Qualifying Settled Silica PI Trust Claims.
- 198.** ~~194.~~ “Silica PI Trust Indemnification Agreement” means the indemnification agreement attached as Annex 1 to the Silica PI Trust Agreement.
- 199.** ~~195.~~ “Silica PI Trust Indemnified Claim” means any claim indemnified in accordance with the terms of any Silica PI Trust Documents.
- 200.** ~~196.~~ “Silica PI Trust Initial Cash Amount” means \$15 million.
- 201.** ~~197.~~ “Silica PI Trust Note” means the promissory note, in substantially the form attached as Exhibit 11 to the Plan, to be executed by DII Industries and KBR, and delivered to the Silica PI Trust on the Effective Date.
- 202.** ~~198.~~ “Silica Secured Claim” means a Silica PI Trust Claim, including a Silica Bonded Claim to the extent bonded with property of the Debtors’ Estates, that is also a Secured Claim.
- 203.** ~~199.~~ “Silica TAC” means the Silica Trust Advisory Committee created pursuant to the Silica PI Trust Agreement, as may be reconstituted from time to time in accordance with the terms thereof.
- 204.** ~~200.~~ “Silica TDP” means the trust distribution procedures substantially in the form attached as Annex 3 to the Silica PI Trust Agreement, as such procedures may be modified from time to time in accordance with the Silica PI Trust Agreement.
- 205.** ~~201.~~ “Silica Unsecured PI Trust Claim” means any Silica PI Trust Claim other than a Silica Secured PI Trust Claim to the extent such Claim is a Secured Claim.
- 206.** ~~202.~~ “Solicitation Date” means September 18, 2003, the date on which solicitation of acceptances of the Plan commenced.
- 207.** ~~203.~~ “Stockholder Agreement” means that agreement between Halliburton and the Asbestos PI Trust attached in substantially the form to be executed as Exhibit 18 to the Plan, which will govern the rights of the Asbestos PI Trust with respect to the Halliburton Asbestos PI Trust Stock.
- 208.** ~~204.~~ “Successor Protected Party” means any Entity that is or becomes a successor, successor-in-interest, or assign (by merger, assignment of assets, consolidation, operation of law, or otherwise, including any Entity designated as successor or successor-in-interest in the Confirmation Order) of any Halliburton Protected Party, Harbison-Walker Protected Party, Debtor-Indemnified Protected Party, Transferee Protected Party,

or Lender Protected Party, including but not limited to those entities listed on Exhibit 20 to the Plan, but only to the extent that (a) liability is asserted to exist by reason of such Entity being or becoming a successor, successor-in-interest, or assign of one of the foregoing and (b) such Entity has a right to be indemnified by such foregoing party for such liability.

- 209.** ~~205.~~–“Transferee Protected Party” means the Asbestos PI Trust, the Silica PI Trust, or any Entity that is or becomes a direct or indirect transferee of, or successor to, any assets of any Debtor, Reorganized Debtor, any Halliburton Protected Party, any Harbison-Walker Protected Party, the Asbestos PI Trust, or the Silica PI Trust, including but not limited to those entities listed on Exhibit 21 to the Plan, but only to the extent that (a) liability is asserted to exist by reason of such Entity being or becoming a transferee of, or successor to, assets of one of the foregoing and (b) such Entity has a right to be indemnified by such foregoing party for such liability.
- 210.** ~~206.~~–“Trust Notes” means the Asbestos PI Trust Note and the Silica PI Trust Note.
- 211.** ~~207.~~–“Trustee” or “Trustees” means, as the context requires, the Persons appointed pursuant to the Plan for the purpose of acting as initial trustees of the Asbestos PI Trust and/or Silica PI Trust in accordance with the terms and conditions contained in the applicable Asbestos PI Trust Documents or Silica PI Trust Documents, the Plan and the Confirmation Order and any successor appointed pursuant to the applicable Asbestos PI Trust Agreement or the Silica PI Trust Agreement.
- 212.** ~~208.~~–“Underwriters” shall mean all the underwriters, members or names, at Lloyd’s who, through their participation in syndicates (including, without limitation, those identified on Exhibit 2 to the Plan), severally subscribed, each in his own proportionate share, to one or more of the Subject Insurance Policies (as such term is defined in Paragraph I.AA of the Settlement Agreement and Mutual Release between Halliburton, DII Industries, and certain Underwriters at Lloyd’s, London, dated March __, 2004). Underwriters shall include, without limitation, all underwriters, members or names at Lloyd’s, London, whether or not they participated in the syndicates identified above, who, through their participation in such syndicates severally subscribed to any of the Subject Insurance Policies (a) the existence of which has not presently been established; or (b) the existence of which has been established but as to which the identities of the names, members or syndicates are not presently known. For avoidance of doubt, Equitas is not within the definition of “Underwriter.”
- 213.** ~~209.~~–“United States Trustee” means the United States Trustee for the Western District of Pennsylvania, Pittsburgh Division.
- 214.** ~~210.~~–“Unliquidated Asbestos PI Trust Claim” means an Asbestos Unsecured PI Trust Claim that is not a Liquidated Asbestos PI Trust Claim.
- 215.** ~~211.~~–“Unliquidated Silica PI Trust Claim” means a Silica Unsecured PI Trust Claim that is not a Liquidated Silica PI Trust Claim.
- 216.** **“Unresolved Disputed Settled Claim” means a Disputed Settled Claim for which a proceeding of a type permitted under article 12.2 of the Plan has been commenced and which remains unresolved as of a given date.**
- 217.** ~~212.~~–“Unsecured Claim” means any Claim that is not a Secured Claim, Priority Claim, or Priority Tax Claim, including, without limitation, to (a) any claim arising from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code and (b) any portion of a Claim to the extent the value of the holder’s interest in the Estate’s interest in the property securing such Claim is less than the amount of the Claim or, to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to section 506(a) of the Bankruptcy Code.

- 218.** ~~243.~~ “Unsecured Creditors Committee” means the Official Committee of Unsecured Creditors, if any, appointed by the United States Trustee in the Reorganization Cases pursuant to section 1102 of the Bankruptcy Code.

Schedule 3

Amended Asbestos PI Trust Funding Agreement

AMENDED PLAN EXHIBIT 8
FORM OF ASBESTOS PI TRUST FUNDING AGREEMENT
(November 4, 2004)

ASBESTOS PI TRUST FUNDING AGREEMENT

This Asbestos PI Trust Funding Agreement (the "Agreement") dated the date set forth on the signature page hereof and effective as of the Effective Date, is between the Reorganized Debtors and the individual trustees (the "Trustees") of the Asbestos PI Trust identified on the signature page hereof and appointed at the Confirmation Hearing pursuant to the order confirming the Fourth Amended and Restated Joint Prepackaged Plan of Reorganization for Mid-Valley, Inc., DII Industries, LLC, Kellogg Brown & Root, Inc., KBR Technical Services, Inc., Kellogg Brown & Root Engineering Corporation, Kellogg Brown & Root International, Inc. (a Delaware corporation), Kellogg Brown & Root International, Inc. (a Panamanian corporation), and BPM Minerals, LLC Under Chapter 11 of the United States Bankruptcy Code, dated May 17, 2004, as amended (the "Plan"). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Uniform Glossary of Defined Terms for Plan Documents, filed of record with the Bankruptcy Court on May 17, 2004 (the "Glossary"). All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Reorganization Cases, the Debtors were named as defendants in personal injury and/or wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products.

WHEREAS the Debtors have reorganized under the provisions of chapter 11 of the Bankruptcy Code in the cases known as *In re Mid-Valley, Inc.*, cases jointly administered under Case No. 03-35592-JKF, pending in the Bankruptcy Court.

WHEREAS the Plan, filed by the Debtors and supported by the Legal Representative and the Asbestos Committee has been confirmed by the Bankruptcy Court and affirmed by the District Court.

WHEREAS the Plan Documents provide, *inter alia*, for the creation of the Asbestos PI Trust.

WHEREAS, pursuant to the Plan, the Debtors are to contribute, either directly or indirectly, the Asbestos PI Trust Cash Contribution to the Asbestos PI Trust on behalf of the Debtor-Affiliated Protected Parties.

WHEREAS the Trustees of the Asbestos PI Trust and the Debtors enter into this Agreement with respect to the Asbestos PI Trust Cash Contribution and to establish the mechanics and procedures pursuant to which the Asbestos PI Trust is to address and pay Qualifying Settled Asbestos PI Trust Claims.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

ASBESTOS PI TRUST CASH CONTRIBUTION

The Reorganized Debtors, on behalf of the Debtor-Affiliated Protected Parties, shall contribute, directly or indirectly, the amount of cash equal to the amount of the Qualifying Settled Asbestos PI Trust Claims to the Asbestos PI Trust for the benefit of, and delivery to, the holders of such claims. The Asbestos PI Trust acknowledges and agrees that such funds shall be used for no other purpose.

ARTICLE 2

PROCEDURES FOR PAYMENT OF QUALIFYING SETTLED ASBESTOS PI TRUST CLAIMS

2.1 On the Effective Date, the Trustees shall establish a segregated trust account styled Alan R. Kahn, Managing Trustee, in trust for the benefit of the Qualifying Settled Asbestos PI Trust Claims (the "Qualifying Settled Asbestos PI Trust Claims Trust Account") at _____.

2.2 On the later of (i) the Effective Date or (ii) the first business day after (x) the Initial Payment Percentage Determination Date or (y) if earlier, the date on which the Debtors establish the Initial Payment Percentage at 100%, the Reorganized Debtors shall submit to the Managing Trustee a schedule which provides (a) the names of all holders of Settled Asbestos PI Trust Claims whose claims have become qualified and are ripe for payment, (b) the name of their respective attorney's law firm, (c) the amount of each such claim as of the Effective Date, (d) the address where the payment is to be delivered, (e) the holder's social security number, and (f), if available, wire transfer instructions (account and ABA number) (the "Qualifying Settled Asbestos PI Trust Claims Schedule").

2.3 Within three (3) business days of receipt of the Qualifying Settled Asbestos PI Trust Claims Schedule, the Managing Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Asbestos PI Trust Claims Trust Account has been established directing payment to each law firm of an amount equal to the product of the aggregate scheduled amount of Qualifying Settled Asbestos PI Trust Claims contained on the schedule for that law firm multiplied by the then-applicable Initial Payment Percentage. All payments made pursuant to this provision shall be made in the manner specified in the settlement agreement covering such claim unless superseded by a subsequent signed instruction letter from the claimant's law firm, in which event the terms of such instruction letter shall control.

2.4 Upon receipt of a copy of the Managing Trustee's irrevocable payment instructions, the Reorganized Debtors shall wire transfer to the Qualifying Settled Asbestos PI Trust Claims Trust Account an amount equal to the amount of confirmed claims set forth on the Qualifying Settled Asbestos PI Trust Claims Schedule multiplied by the Initial Payment Percentage. In the event that a payment made to a holder of a Qualifying Settled Asbestos PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Asbestos PI Trust, the Managing Trustee shall promptly advise the Reorganized Debtors who shall attempt to resolve the problem and issue updated delivery instructions. If a payment cannot be delivered or is not cashed by the designated recipients within two (2) years from the initial delivery attempt, all right and title to such funds shall become property of the Asbestos PI Trust in accordance with article 9.6 (a) of the Plan.

2.5 On the last day of each month after the distribution set forth in section 2.2 until termination of this agreement in accordance with section 2.6, the Debtors shall submit a supplemental schedule of claimants whose claims have qualified for payment after exercise of remedies under article 12.2 of the Plan. Within three (3) business days, the Managing Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Asbestos PI Trust Claims Trust Account has been established directing payment to each law firm of the amount set forth for claimants represented by such law firm multiplied by the then-applicable Initial Payment Percentage. A verified copy of such instructions shall be provided simultaneously to the Escrow Agent for disbursement of funds pursuant to the Escrow Agreement. On or before the forty-fifth (45th) day after each anniversary of the Effective Date until this agreement is terminated in accordance with its terms, the Reorganized Debtors shall provide a schedule of supplemental distributions that are to be made to holders of Qualifying Settled Asbestos PI Trust Claims based upon recalculation of the Initial Payment Percentage. Within three (3) business days of receipt of such schedule, the Managing Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Asbestos PI Trust Claims Trust Account has been established directing payment to each law firm, in the manner set forth, of the amount set forth on such schedule. Upon receipt of a copy of the Managing Trustee's irrevocable payment instructions, the Reorganized Debtors shall wire transfer to the Qualifying Settled Asbestos PI Trust Claims Trust Account the amounts set forth in the Managing Trustee's payment instructions. In the event that a payment made to a holder of a Qualifying Settled Asbestos PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Asbestos PI Trust, the Managing Trustee and Reorganized Debtors shall attempt to resolve the issue in the same manner prescribed in section 2.4 above.

2.6 Not later than the fifth (5th) day after funding in accordance with article 2.5, the Reorganized Debtors shall pay the Asbestos PI Trust \$_____ for each funded Qualifying Settled Asbestos PI Trust Claim to cover any incremental costs associated with the payments to the Qualifying Settled Asbestos PI Trust Claims. Such payments shall be delivered by wire transfer to the operating account designated in writing by the Managing Trustee of the Asbestos PI Trust.

2.7 This Agreement shall terminate upon written certification by the Reorganized Debtors (a) that all Settled Asbestos PI Trust Claims have been qualified or disqualified under the terms of applicable Asbestos/Silica PI Trust Claimant Settlement Agreements, (b) that at least one year has passed since notice of final disqualification was sent to each holder of a Settled Asbestos PI Trust Claim disqualified under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, and (c) that there are no pending arbitration proceedings or motions before the Bankruptcy Court within the meaning of article 12.2 of the Plan brought by the holder of a Settled Asbestos PI Trust Claim challenging his or her disqualification.

ARTICLE 3

GENERAL PROVISIONS

3.1 Any notices or other communications required or permitted hereunder shall be in writing and shall be delivered by registered or certified mail, return receipt requested, postage prepaid, by facsimile, or by email to:

If to the Asbestos PI Trust through the Trustees:

Alan R. Kahn
Managing Trustee
DII Industries, LLC Asbestos PI Trust
P.O. Box 1107

230 Jack Leg Lane
Bozeman, Montana 59715
Facsimile: 406.585.8585
Email: arkahn@attglobal.net

and

Michael A. Rosenthal
Gibson Dunn & Crutcher LLP
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201
Facsimile: 214.571.2951
Email: mrosenthal@gibsondunn.com

If to the Legal Representative:

Eric D. Green
Resolutions, LLC
155 Federal Street
Boston, Massachusetts 02110
Facsimile: 617.556.9900
Email: ericdgreen@resolutionsllc.com

and

James L. Patton, Jr.
Young Conaway Stargatt & Taylor, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Facsimile: 302.571.1253
Email: jpatton@ycst.com

If to the Reorganized Debtors:

DII Industries, LLC
Attn: General Counsel
1401 McKinney, Suite 2400
Houston, Texas 77010
Facsimile: 713.759.2622

and

Jeffrey N. Rich
Kirkpatrick & Lockhart LLP
599 Lexington Avenue
New York, New York 10022
Facsimile: 212.536.3901
Email: jrich@kl.com

and

Michael G. Zanic
Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222
Facsimile: 412.355.6501
Email: mzanic@kl.com

and

Jack L. Kinzie
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Facsimile: 214.661.4727
Email: jack.kinzie@bakerbotts.com

3.2 The entire agreement of the parties relating to the subject matter of this Agreement is contained herein and in the Plan Documents, and this Agreement and such documents shall supersede any prior oral or written agreements concerning the subject matter hereof.

3.3 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to its principles of conflicts of law.

3.4 This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____ 2004.

TRUSTEES

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

DEBTORS

MID-VALLEY, INC.,
a Pennsylvania corporation

By: _____

Name: _____

Title: _____

DJI INDUSTRIES, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT ENGINEERING CORP.,
a New York corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Panamanian corporation

By: _____

Name: _____

Title: _____

BPM MINERALS, LLC,
a New Jersey limited liability company

By: _____

Name: _____

Title: _____

Schedule 4

Blackline of Asbestos PI Trust Funding Agreement

AMENDED PLAN EXHIBIT 8
FORM OF ASBESTOS PI TRUST FUNDING AGREEMENT
(~~May 17,~~November 4, 2004)

ASBESTOS PI TRUST FUNDING AGREEMENT

This Asbestos PI Trust Funding Agreement (the "Agreement") dated the date set forth on the signature page hereof and effective as of the Effective Date, is between the Reorganized Debtors and the individual trustees (the "Trustees") of the Asbestos PI Trust identified on the signature page hereof and appointed at the Confirmation Hearing pursuant to the order confirming the Fourth Amended and Restated Joint Prepackaged Plan of Reorganization for Mid-Valley, Inc., DII Industries, LLC, Kellogg Brown & Root, Inc., KBR Technical Services, Inc., Kellogg Brown & Root Engineering Corporation, Kellogg Brown & Root International, Inc. (a Delaware corporation), Kellogg Brown & Root International, Inc. (a Panamanian corporation), and BPM Minerals, LLC Under Chapter 11 of the United States Bankruptcy Code, dated November ____, 2003, ~~as such Plan may be~~ May 17, 2004, as amended, modified or supplemented from time to time (the "Plan"). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Uniform Glossary of Defined Terms for Plan Documents, attached as Exhibit A to the Disclosure Statement filed of record with the Bankruptcy Court on May 17, 2004 (the "Glossary") and such definitions are incorporated herein by reference. All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Reorganization Cases, the Debtors were named as defendants in personal injury and/or wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products.

WHEREAS the Debtors have reorganized under the provisions of chapter 11 of the Bankruptcy Code in the cases known as *In re Mid-Valley, Inc.*, cases jointly administered under Case No. 03-____ 35592-JKF, pending in the Bankruptcy Court.

WHEREAS the Plan, filed by the Debtors and supported by the Legal Representative and the Asbestos Committee has been confirmed by the Bankruptcy Court and affirmed by the District Court.

WHEREAS the Plan Documents provide, *inter alia*, for the creation of the Asbestos PI Trust.

WHEREAS, pursuant to the Plan, the Debtors are to contribute, either directly or indirectly, the Asbestos PI Trust Cash Contribution to the Asbestos PI Trust on behalf of the Debtor-Affiliated Protected Parties.

WHEREAS the Trustees of the Asbestos PI Trust and the Debtors enter into this Agreement with respect to the Asbestos PI Trust Cash Contribution and to establish the mechanics and procedures pursuant to which the Asbestos PI Trust is to address and pay Qualifying Settled Asbestos PI Trust Claims.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

ASBESTOS PI TRUST CASH CONTRIBUTION

The Reorganized Debtors, on behalf of the Debtor-Affiliated Protected Parties, shall contribute, directly or indirectly, the amount of cash equal to the amount of the Qualifying Settled Asbestos PI Trust Claims to the Asbestos PI Trust for the benefit of, and delivery to, the holders of such claims. The Asbestos PI Trust acknowledges and agrees that such funds shall be used for no other purpose.

ARTICLE 2

PROCEDURES FOR PAYMENT OF QUALIFYING SETTLED ASBESTOS PI TRUST CLAIMS

2.1 On the Effective Date, the Trustees shall establish a segregated trust account styled Alan R. Kahn, Managing Trustee, in trust for the benefit of the Qualifying Settled Asbestos PI Trust Claims (the "Qualifying Settled Asbestos PI Trust Claims Trust Account") at _____.

2.2 On the later of (i) the Effective Date or (ii) the first business day after (x) the Initial Payment Percentage Determination Date or (y) if earlier, the date on which the Debtors establish the Initial Payment Percentage at 100%, ~~and on the last day of each month thereafter until termination in accordance with article 2.7 below,~~ the Reorganized Debtors shall submit to the Managing Trustee a schedule which provides (a) the names of all holders of Qualifying Settled Asbestos PI Trust Claims whose claims have become qualified and are ripe for payment, (b) the name of their respective attorney's law firm, (c) the amount of each such claim as of the

Effective Date, (d) the address where the payment is to be delivered, (e) the holder's social security number, and (f), if available, wire transfer instructions (account and ABA number) (the "Qualifying Settled Asbestos PI Trust Claims Schedule").

2.3 Upon receipt of the Qualifying Settled Asbestos PI Trust Claims Schedule, the Managing Trustee shall review and, not later than the tenth (10th) Business Day following receipt of such Qualifying Settled Asbestos PI Trust Claim Schedule, confirm to the Reorganized Debtors in writing or by email to the addresses listed in article 3.1 below that each claimant on such schedule (a) has not submitted an alternative address to the Asbestos PI Trust and (b) is not reflected in the records of the Asbestos PI Trust as having been paid. If a claim on a Qualifying Settled Asbestos PI Trust Claims Schedule cannot be confirmed, the Managing Trustee shall advise the Reorganized Debtors, who shall consult with the Managing Trustee to identify the source(s) of discrepancy. Once resolved to the satisfaction of the Reorganized Debtors, the Reorganized Debtors shall instruct the Managing Trustee in writing or by email to the address listed in article 3.1 below to include such claim as a confirmed claim on the next Qualifying Settled PI Trust Claims Schedule.2.4 Simultaneously with the confirmation Within three (3) business days of receipt of the Qualifying Settled Asbestos PI Trust Claims Schedule, the Managing Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Asbestos PI Trust Claims Trust Account has been established directing payment of each to each law firm of an amount equal to the product of the aggregate scheduled amount of Qualifying Settled Asbestos PI Trust Claim that has been confirmed pursuant to article 2.3 above Claims contained on the schedule for that law firm multiplied by the then-applicable Initial Payment Percentage. All payments made pursuant to this provision shall be made in the manner specified in the settlement agreement covering such claim unless superseded by a subsequent signed instruction letter from the claimant's law firm, in which event the terms of such instruction letter shall control.

2.5.2.4 Upon receipt of a copy of the Managing Trustee's irrevocable payment instructions, the Reorganized Debtors shall fund wire transfer to the Qualifying Settled Asbestos PI Trust Claims Trust Account in the amounts an amount equal to the amount of confirmed claims set forth on the Qualifying Settled Asbestos PI Trust Claims Schedule by wire transfer multiplied by the Initial Payment Percentage. In the event that a payment made to a holder of a Qualifying Settled Asbestos PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Asbestos PI Trust, the Managing Trustee shall promptly advise the Reorganized Debtors who shall attempt to resolve the problem and issue updated delivery instructions. If a payment cannot be delivered or is not cashed by the designated recipients within two (2) years from the initial delivery attempt, all right and title to such funds shall become property of the Asbestos PI Trust in accordance with article 9.6 (a) of the Plan.

2.5 On the last day of each month after the distribution set forth in section 2.2 until termination of this agreement in accordance with section 2.6, the Debtors shall submit a supplemental schedule of claimants whose claims have qualified for payment after exercise of remedies under article 12.2 of the Plan. Within three (3) business days, the Managing Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Asbestos PI Trust Claims Trust Account has been established directing payment to each law firm of the amount set forth for claimants represented by such law firm multiplied by the then-applicable Initial Payment Percentage. A verified copy of such instructions shall be provided simultaneously to the Escrow Agent for disbursement of funds pursuant to the Escrow Agreement. On or before the forty-fifth (45th) day after each anniversary of the Effective Date until this agreement is terminated in accordance with its terms, the Reorganized Debtors shall provide a schedule of supplemental distributions that are to be made to holders of Qualifying Settled Asbestos PI Trust Claims based upon recalculation of the Initial Payment Percentage. Within three (3) business days of receipt of such schedule, the Managing Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Asbestos PI Trust Claims Trust Account has been established directing payment to each law firm, in the manner set forth, of the amount set forth on such schedule. Upon receipt of a copy of the Managing Trustee's irrevocable payment instructions, the Reorganized Debtors shall wire transfer to the Qualifying Settled Asbestos PI Trust Claims Trust Account the amounts set forth in the Managing Trustee's payment instructions. In the event that a payment made to a holder of a Qualifying Settled Asbestos PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Asbestos PI Trust, the Managing Trustee and Reorganized Debtors shall attempt to resolve the issue in the same manner prescribed in section 2.4 above.

2.6 Not later than the fifth (5th) day after funding in accordance with article 2.5, the Reorganized Debtors shall pay the Asbestos PI Trust \$_____ for each funded Qualifying Settled Asbestos PI Trust Claim to cover any incremental costs associated with the payments to the Qualifying Settled Asbestos PI Trust Claims. Such payments shall be delivered by wire transfer to the operating account designated in writing by the Managing Trustee of the Asbestos PI Trust.

2.7 This Agreement shall terminate upon written certification by the Reorganized Debtors (a) that all Settled Asbestos PI Trust Claims have been qualified or disqualified under the terms of applicable Asbestos/Silica PI Trust Claimant Settlement Agreements, (b) that at least one year has passed since notice of final disqualification was sent to each holder of a Settled Asbestos PI Trust Claim disqualified under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, and (c) that there are no pending arbitration proceedings or motions before the Bankruptcy Court within the meaning of article 12.2 of the Plan brought by the holder of a Settled Asbestos PI Trust Claim challenging his or her disqualification.

ARTICLE 3

GENERAL PROVISIONS

3.1 Any notices or other communications required or permitted hereunder shall be in writing and shall be delivered by registered or certified mail, return receipt requested, postage prepaid, by facsimile, or by email to:

If to the Asbestos PI Trust through the Trustees:

Alan R. Kahn
Managing Trustee
DII Industries, LLC Asbestos PI Trust
P.O. Box 1107
230 Jack Leg Lane
Bozeman, Montana 59715
Facsimile: **406.585.8585**
Email: **arkahn@attglobal.net**

and

Michael A. Rosenthal
Gibson Dunn & Crutcher LLP
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201
Facsimile: **214.571.2951**
Email: **mrosenthal@gibsondunn.com**

If to the Legal Representative:

Eric D. Green
Resolutions, LLC
155 Federal Street
Boston, Massachusetts 02110
Facsimile: 617.556.9900
Email: **ericdgreen@resolutionsllc.com**

and

James L. Patton, Jr.
Young Conaway Stargatt & Taylor, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Facsimile: 302.571.1253
Email: **jpatton@ycst.com**

If to the Reorganized Debtors:

DII Industries, LLC
Attn: General Counsel
1401 McKinney, Suite 2400
Houston, Texas 77010
Facsimile: 713.759.2622

and

Jeffrey N. Rich

Kirkpatrick & Lockhart LLP
599 Lexington Avenue
New York, New York 10022
Facsimile: 212.536.3901
Email: jrich@kl.com

and

Michael G. Zanic
Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222
Facsimile: 412.355.6501
Email: mzanic@kl.com

and

Jack L. Kinzie
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Facsimile: 214.661.4727
Email: jack.kinzie@bakerbotts.com

3.2 The entire agreement of the parties relating to the subject matter of this Agreement is contained herein and in the Plan Documents, and this Agreement and such documents shall supersede any prior oral or written agreements concerning the subject matter hereof.

3.3 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to its principles of conflicts of law.

3.4 This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____ 2004.

TRUSTEES

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

DEBTORS

MID-VALLEY, INC.,
a Pennsylvania corporation

By: _____

Name: _____

Title: _____

DII INDUSTRIES, LLC,
a Delaware *limited liability company*

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT ENGINEERING CORP.,
a New York corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Panamanian corporation

By: _____

Name: _____

Title: _____

BPM MINERALS, LLC,
a New Jersey limited liability company

By: _____

Name: _____

Title: _____

Document comparison done by DeltaView on Thursday, November 04, 2004 5:31:11 PM

Input:

Document 1	PowerDocs://DAL02/404067/2
Document 2	PowerDocs://DAL02/417847/1
Rendering set	1-Bold Double Underline-Strikethrough

Legend:

Insertion

Deletion

Moved from

Moved to

Style change

Format change

Moved deletion

Inserted cell

Deleted cell

Moved cell

Split/Merged cell

Padding cell

Redline Summary:

No.	Change	Text
1-2	Change	"(May 17, 2004)" changed to "(November 4, 2004)"
3	Change	"pursuant to the Joint Prepackaged" changed to "pursuant to the order...Joint Prepackaged"
4-5	Change	"Code, dated November ...such Plan may be amended" changed to "Code, dated May 17, 2004, as amended"
6	Change	"amended, modified or...to time (the "Plan")." changed to "amended (the "Plan")."
7-8	Change	"Documents, attached as...(the "Glossary")" changed to "Documents, filed of...2004 (the "Glossary")"
9	Change	"("Glossary") and such...All capitalized" changed to "("Glossary"). All capitalized"
10	Change	", pending in" changed to "35592-JKF, pending in"
11	Change	", Managing Trustee," changed to "Alan R. Kahn, Managing Trustee,"
12	Change	"Percentage at 100%, and...below, the

		Reorganized" changed to "Percentage at 100%, the Reorganized"
13	Change	"holders of Qualifying Settled Asbestos" changed to "holders of Settled Asbestos"
14	Deletion	2.3 Upon receipt of the...Trust Claims Schedule.
15-16	Change	"2.4 Simultaneously with...of the Qualifying" changed to "Within three (3) business...of the Qualifying"
17-18	Change	"directing payment of each Qualifying" changed to "directing payment to each...amount of Qualifying"
19-20	Change	"Asbestos PI Trust Claim...to article 2.3 above." changed to "Asbestos PI Trust Claims...letter shall control."
21-22	Change	"2.5 Upon receipt" changed to "2.4 Upon receipt"
23-24	Change	"Debtors shall fund the Qualifying" changed to "Debtors shall wire transfer to the Qualifying"
25-26	Change	"Trust Account in the amounts set forth on" changed to "Trust Account an amount...claims set forth on"
27-28	Change	"Claims Schedule by wire transfer. In the event" changed to "Claims Schedule... In the event"
29	Insertion	2.5 On the last day of...in section 2.4 above.
30	Insertion	Alan R. Kahn
31	Insertion	Managing Trustee
32	Insertion	DII Industries, LLC Asbestos PI Trust
33	Insertion	P.O. Box 1107
34	Insertion	230 Jack Leg Lane
35	Insertion	Bozeman, Montana 59715
36	Insertion	Facsimile: 406.585.8585
37	Insertion	Email: arkahn@attglobal.net
38	Insertion	and
39	Insertion	Michael A. Rosenthal
40	Insertion	Gibson Dunn & Crutcher LLP
41	Insertion	2100 McKinney Avenue, Suite 1100

42	Insertion	Dallas, Texas 75201
43	Insertion	Facsimile: 214.571.2951
44	Insertion	Email: mrosenthal@gibsondunn.com

Statistics:	
	Count
Insertions	29
Deletions	15
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	44

Schedule 5

Amended Silica PI Trust Funding Agreement

AMENDED PLAN EXHIBIT 14
FORM OF SILICA PI TRUST FUNDING AGREEMENT
(November 4, 2004)

SILICA PI TRUST FUNDING AGREEMENT

This Silica PI Trust Funding Agreement (the “Agreement”) dated the date set forth on the signature page hereof and effective as of the Effective Date, is between the Reorganized Debtors and the individual trustee (the “Trustee”) of the Silica PI Trust identified on the signature page hereof and appointed at the Confirmation Hearing pursuant to the order confirming the Fourth Amended and Restated Joint Prepackaged Plan of Reorganization for Mid-Valley, Inc., DII Industries, LLC, Kellogg Brown & Root, Inc., KBR Technical Services, Inc., Kellogg Brown & Root Engineering Corporation, Kellogg Brown & Root International, Inc. (a Delaware corporation), Kellogg Brown & Root International, Inc. (a Panamanian corporation), and BPM Minerals, LLC Under Chapter 11 of the United States Bankruptcy Code, dated May 17, 2004, as amended (the “Plan”). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Uniform Glossary of Defined Terms for Plan Documents attached as Exhibit A to the Disclosure Statement (the “Glossary”). All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Reorganization Cases, the Debtors were named as defendants in personal injury and/or wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, silica or silica-containing products.

WHEREAS the Debtors have reorganized under the provisions of chapter 11 of the Bankruptcy Code in the cases known as *In re Mid-Valley, Inc.*, cases jointly administered under Case No. 03-35592 pending in the Bankruptcy Court.

WHEREAS the Plan, filed by the Debtors and supported by the Legal Representative has been confirmed by the Bankruptcy Court and affirmed by the District Court.

WHEREAS the Plan Documents provide, *inter alia*, for the creation of the Silica PI Trust.

WHEREAS, pursuant to the Plan, the Reorganized Debtors are to contribute, either directly or indirectly, the Silica PI Trust Cash Contribution to the Silica PI Trust on behalf of the Debtor-Affiliated Protected Parties.

WHEREAS the Trustee of the Silica PI Trust and the Reorganized Debtors enter into this Agreement with respect to the Silica Trust Cash Contribution and to establish the mechanics and procedures pursuant to which the Silica PI Trust is to address and pay Qualifying Settled Silica PI Trust Claims.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

SILICA PI TRUST CASH CONTRIBUTION

The Reorganized Debtors, on behalf of the Debtor-Affiliated Protected Parties, shall contribute, directly or indirectly, the amount of cash equal to the amount of the Qualifying Settled Silica PI Trust Claims to the Silica PI Trust for the benefit of, and delivery to, the holders of such claims. The Silica PI Trust acknowledges and agrees that such funds shall be used for no other purpose.

ARTICLE 2

PROCEDURES FOR PAYMENT OF QUALIFYING SETTLED SILICA PI TRUST CLAIMS

2.1 On the Effective Date, the Trustee shall establish a segregated trust account styled Martin J. Murphy, Trustee, in trust for the benefit of the Qualifying Settled Silica PI Trust Claims (the "Qualifying Settled Silica PI Trust Claims Trust Account") at _____.

2.2 On the later of (i) the Effective Date or (ii) the first business day after (x) the Initial Payment Percentage Determination Date or (y) if earlier, the date on which the Debtors establish the Initial Payment Percentage at 100%, the Reorganized Debtors shall submit to the Managing Trustee a schedule which provides (a) the names of all holders of Settled Asbestos PI Trust Claims whose claims have become qualified and are ripe for payment, (b) the name of their respective attorney's law firm, (c) the amount of each such claim as of the Effective Date, (d) the address where the payment is to be delivered, (e) the holder's social security number, and (f), if available, wire transfer instructions (account and ABA number) (the "Qualifying Settled Asbestos PI Trust Claims Schedule").

2.3 Within three (3) business days of receipt of the Qualifying Settled Silica PI Trust Claims Schedule, the Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Silica PI Trust Claims Trust Account has been established directing payment to each law firm of an amount equal to the product of the aggregate scheduled amount of Qualifying Settled Silica PI Trust Claims contained on the schedule for that law firm multiplied by the then-applicable Initial Payment Percentage. All payments made pursuant to this provision shall be made in the manner specified in the settlement agreement covering such claim unless superseded by a subsequent signed instruction letter from the claimant's law firm, in which event the terms of such instruction letter shall control.

2.4 Upon receipt of a copy of the Trustee's irrevocable payment instructions, the Reorganized Debtors shall wire transfer to the Qualifying Settled Silica PI Trust Claims Trust Account an amount equal to the amount of confirmed claims set forth on the Qualifying Settled Silica PI Trust Claims Schedule multiplied by the Initial Payment Percentage. In the event that a payment made to a holder of a Qualifying Settled Asbestos PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Silica PI Trust, the Trustee shall promptly advise the Reorganized Debtors who shall attempt to resolve the problem and issue updated delivery instructions. If a payment cannot be delivered or is not cashed by the designated recipients within two (2) years from the initial delivery attempt, all right and title to such funds shall become property of the Silica PI Trust in accordance with article 9.6 of the Plan.

2.5 On the last day of each month after the distribution set forth in section 2.2 until termination of this agreement in accordance with section 2.6, the Debtors shall submit a supplemental schedule of claimants whose claims have qualified for payment after exercise of remedies under article 12.2 of the Plan. Within three (3) business days, the Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Silica PI Trust Claims Trust Account has been established directing payment to each law firm of the amounts set forth for claimants represented by such law firm multiplied by the then-applicable Initial Payment Percentage. A verified copy of such instructions shall be provided simultaneously to the Escrow Agent for disbursement of funds pursuant to the Escrow Agreement. On or before the forty-fifth (45th) day after each anniversary of the Effective Date until this agreement is terminated in accordance with its terms, the Reorganized Debtors shall provide a schedule of supplemental distributions that are to be made to holders of Qualifying Settled Silica PI Trust Claims based upon recalculation of the Initial Payment Percentage. Within three (3) business days of receipt of such schedule, the Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Silica PI Trust Claims Trust Account has been established directing payment to each law firm, in the manner set forth, of the amount set forth on such schedule. Upon receipt of a copy of the Trustee's irrevocable payment instructions, the Reorganized Debtors shall wire transfer to the Qualifying Settled Silica PI Trust Claims Trust Account the amounts set forth in the Trustee's payment instructions. In the event that a payment made to a holder of a Qualifying Settled Silica PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Silica PI Trust, the Trustee and Reorganized Debtors shall attempt to resolve the issue in the same manner prescribed in section 2.4 above.

2.6 Not later than the fifth (5th) day after funding in accordance with article 2.5, the Reorganized Debtors shall pay the Silica PI Trust \$_____ for each funded Qualifying Settled Silica PI Trust Claim to cover any incremental costs associated with the payments to the Qualifying Settled Silica PI Trust Claims. Such payments shall be delivered by wire transfer to the operating account designated in writing by the Trustee of the Silica PI Trust.

2.7 This Agreement shall terminate upon written certification by the Reorganized Debtors (a) that all Settled Silica PI Trust Claims have been qualified or disqualified under the terms of applicable Asbestos/Silica PI Trust Claimant Settlement Agreements, (b) that at least one year has passed since notice of final disqualification was sent to each holder of a Settled Silica PI Trust Claim disqualified under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, and (c) that there are no pending arbitration

proceedings or motions before the Bankruptcy Court within the meaning of article 12.2 of the Plan brought by a Settled Silica PI Trust Claimant challenging his or her disqualification.

ARTICLE 3

GENERAL PROVISIONS

3.1 Any notices or other communications required or permitted hereunder shall be in writing and shall be delivered by registered or certified mail, return receipt requested, postage prepaid, facsimile, or email to:

If to the Silica PI Trust through the Trustee:

Martin J. Murphy
c/o Davis & Young
1700 Midland Building
101 Prospect Avenue, West
Cleveland, Ohio 44115-1027
Facsimile: (216) 621-0602
Email: mmurphy@davisyoung.com

If to the Legal Representative:

Eric D. Green
Resolutions, LLC
155 Federal Street
Boston, Massachusetts 02110
Facsimile: 617.556.9900
Email: ericdgreen@resolutionsllc.com

and

James L. Patton, Jr.
Young Conaway Stargatt & Taylor, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Facsimile: 302.571.1253
Email: jpatton@ycst.com

If to the Reorganized Debtors:

DII Industries, LLC
Attn: General Counsel
1401 McKinney, Suite 2400
Houston, Texas 77010
Facsimile: 713.759.2622

and

Jeffrey N. Rich
Kirkpatrick & Lockhart LLP
599 Lexington Avenue
New York, New York 10022
Facsimile: 212.536.3901
Email: jrich@kl.com

and

Michael G. Zanic
Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street

Pittsburgh, Pennsylvania 15222
Facsimile: 412.355.6501
Email: mzanic@kl.com

and

Jack L. Kinzie
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Facsimile: 214.661.4727
Email: jack.kinzie@bakerbotts.com

3.2 The entire agreement of the parties relating to the subject matter of this Agreement is contained herein and in the Plan Documents, and this Agreement and such documents shall supersede any prior oral or written agreements concerning the subject matter hereof.

3.3 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to its principles of conflicts of law.

3.4 This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement this ___ day of _____ 2004.

TRUSTEE

By: _____

Name: _____

DEBTORS

MID-VALLEY, INC.,
a Pennsylvania corporation

By: _____

Name: _____

Title: _____

DII INDUSTRIES, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT ENGINEERING, CORP.,
a New York corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Panamanian corporation

By: _____

Name: _____

Title: _____

BPM MINERALS, LLC,
a New Jersey limited liability company

By: _____

Name: _____

Title: _____

Schedule 6

Blackline of Silica PI Trust Funding Agreement

AMENDED PLAN EXHIBIT 14
FORM OF SILICA PI TRUST FUNDING AGREEMENT
(~~May 17,~~November 4, 2004)

SILICA PI TRUST FUNDING AGREEMENT

This Silica PI Trust Funding Agreement (the "Agreement") dated the date set forth on the signature page hereof and effective as of the Effective Date, is between the Reorganized Debtors and the individual trustee (the "Trustee") of the Silica PI Trust identified on the signature page hereof and appointed at the Confirmation Hearing pursuant to the order confirming the Fourth Amended and Restated Joint Prepackaged Plan of Reorganization for Mid-Valley, Inc., DII Industries, LLC, Kellogg Brown & Root, Inc., KBR Technical Services, Inc., Kellogg Brown & Root Engineering Corporation, Kellogg Brown & Root International, Inc. (a Delaware corporation), Kellogg Brown & Root International, Inc. (a Panamanian corporation), and BPM Minerals, LLC Under Chapter 11 of the United States Bankruptcy Code, dated November ____, 2003, ~~as such Plan may be~~ May 17, 2004, as amended, modified, or supplemented from time to time (the "Plan"). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Uniform Glossary of Defined Terms for Plan Documents attached as Exhibit A to the Disclosure Statement (the "Glossary") ~~and such definitions are incorporated herein by reference~~. All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Reorganization Cases, the Debtors were named as defendants in personal injury and/or wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, silica or silica-containing products.

WHEREAS the Debtors have reorganized under the provisions of chapter 11 of the Bankruptcy Code in the cases known as *In re Mid-Valley, Inc.*, cases jointly administered under Case No. 03-_____ 35592 pending in the Bankruptcy Court.

WHEREAS the Plan, filed by the Debtors and supported by the Legal Representative has been confirmed by the Bankruptcy Court and affirmed by the District Court.

WHEREAS the Plan Documents provide, *inter alia*, for the creation of the Silica PI Trust.

WHEREAS, pursuant to the Plan, the Reorganized Debtors are to contribute, either directly or indirectly, the Silica PI Trust Cash Contribution to the Silica PI Trust on behalf of the Debtor-Affiliated Protected Parties.

WHEREAS the Trustee of the Silica PI Trust and the Reorganized Debtors enter into this Agreement with respect to the Silica Trust Cash Contribution and to establish the mechanics and procedures pursuant to which the Silica PI Trust is to address and pay Qualifying Settled Silica PI Trust Claims.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

SILICA PI TRUST CASH CONTRIBUTION

The Reorganized Debtors, on behalf of the Debtor-Affiliated Protected Parties, shall contribute, directly or indirectly, the amount of cash equal to the amount of the Qualifying Settled Silica PI Trust Claims to the Silica PI Trust for the benefit of, and delivery to, the holders of such claims. The Silica PI Trust acknowledges and agrees that such funds shall be used for no other purpose.

ARTICLE 2

PROCEDURES FOR PAYMENT OF QUALIFYING SETTLED SILICA PI TRUST CLAIMS

2.1 On the Effective Date, the Trustee shall establish a segregated trust account styled Martin J. Murphy, Trustee, in trust for the benefit of the Qualifying Settled Silica PI Trust Claims (the "Qualifying Settled Silica PI Trust Claims Trust Account") at _____.

2.2 On the later of (i) the Effective Date or (ii) the first business day after (x) the Initial Payment Percentage Determination Date or (y) if earlier, the date on which the Debtors establish the Initial Payment Percentage at 100%, ~~and on the last day of each month thereafter until termination in accordance with article 2.7 below,~~ the Reorganized Debtors shall submit to the Managing Trustee a schedule which provides (a) the names of all holders of Qualifying Settled Asbestos PI Trust Claims whose claims have become qualified and are ripe for payment, (b) the name of their respective attorney's law firm, (c) the amount of each such claim as of the Effective Date, (d) the address where the payment is to be delivered, (e) the holder's social security number, and (f), if available, wire transfer instructions (account and ABA number) (the "Qualifying Settled Asbestos PI Trust Claims Schedule").

2.3 ~~Upon receipt of the Qualifying Settled Silica PI Trust Claims Schedule, the Trustee shall review and, not later than the tenth (10th) Business Day following receipt of such Qualifying Settled Silica PI Trust Claim Schedule, confirm to the Reorganized Debtors in writing or by email to the addresses listed in article 3.1 below that each claimant on such schedule has not submitted an alternative address to the Silica PI Trust and is not reflected in the records of the Silica PI Trust as having been paid. If a claim on a Qualifying Settled Silica PI Trust Claims Schedule cannot be confirmed, the Trustee shall advise the Reorganized Debtors, who shall consult with the Trustee to identify the source(s) of discrepancy. Once resolved to the satisfaction of the Reorganized Debtors, the Reorganized Debtors shall instruct the Trustee in writing or by email to the address listed in article 3.1 below to include such claim as a confirmed claim on the next Qualifying Settled PI Trust Claims Schedule.~~2.4 Simultaneously with the confirmation**Within three (3) business days of receipt** of the Qualifying Settled Silica PI Trust Claims Schedule, the Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Silica PI Trust Claims Trust Account has been established directing payment ~~of each to each law firm of an amount equal to the product of the aggregate scheduled amount of~~ Qualifying Settled Silica PI Trust Claim that has been confirmed pursuant to article 2.3 above**Claims contained on the schedule for that law firm multiplied by the then-applicable Initial Payment Percentage. All payments made pursuant to this provision shall be made in the manner specified in the settlement agreement covering such claim unless superseded by a subsequent signed instruction letter from the claimant's law firm, in which event the terms of such instruction letter shall control.**

~~2.5~~**2.4** Upon receipt of a copy of the Trustee's irrevocable payment instructions, the Reorganized Debtors shall fund by wire transfer ~~to the Qualifying Settled Silica PI Trust Claims Trust Account in the amounts~~**an amount equal to the amount of confirmed claims** set forth on the Qualifying Settled Silica PI Trust Claims Schedule**multiplied by the Initial Payment Percentage.** In the event that a payment made to a holder of a Qualifying Settled Asbestos PI Trust Claim pursuant to this provision cannot be delivered or is returned to the Silica PI Trust, the Trustee shall promptly advise the Reorganized Debtors who shall attempt to resolve the problem and issue updated delivery instructions. If a payment cannot be delivered or is not cashed by the designated recipients within two (2) years from the initial delivery attempt, all right and title to such funds shall become property of the Silica PI Trust in accordance with article 9.6 of the Plan.

2.5 On the last day of each month after the distribution set forth in section 2.2 until termination of this agreement in accordance with section 2.6, the Debtors shall submit a supplemental schedule of claimants whose claims have qualified for payment after exercise of remedies under article 12.2 of the Plan. Within three (3) business days, the Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Silica PI Trust Claims Trust Account has been established directing payment to each law firm of the amounts set forth for claimants represented by such law firm multiplied by the then-applicable Initial Payment Percentage. A verified copy of such instructions shall be provided simultaneously to the Escrow Agent for disbursement of funds pursuant to the Escrow Agreement. On or before the forty-fifth (45th) day after each anniversary of the Effective Date until this agreement is terminated in accordance with its terms, the Reorganized Debtors shall provide a schedule of supplemental distributions that are to be made to holders of Qualifying Settled Silica PI Trust Claims based upon recalculation of the Initial Payment Percentage. Within three (3) business days of receipt of such schedule, the Trustee shall issue irrevocable payment instructions to the bank at which the Qualifying Settled Silica PI Trust Claims Trust Account has been established directing payment to each law firm, in the manner set forth, of the amount set forth on such schedule. Upon receipt of a copy of the Trustee's irrevocable payment instructions, the Reorganized Debtors shall wire transfer to the Qualifying Settled Silica PI Trust Claims Trust Account the amounts set forth in the Trustee's payment instructions. In the event that a payment made to a holder of a Qualifying Settled Silica PI Trust Claim pursuant to

this provision cannot be delivered or is returned to the Silica PI Trust, the Trustee and Reorganized Debtors shall attempt to resolve the issue in the same manner prescribed in section 2.4 above.

2.6 Not later than the fifth (5th) day after funding in accordance with article 2.5, the Reorganized Debtors shall pay the Silica PI Trust \$_____ for each funded Qualifying Settled Silica PI Trust Claim to cover any incremental costs associated with the payments to the Qualifying Settled Silica PI Trust Claims. Such payments shall be delivered by wire transfer to the operating account designated in writing by the Trustee of the Silica PI Trust.

2.7 This Agreement shall terminate upon written certification by the Reorganized Debtors (a) that all Settled Silica PI Trust Claims have been qualified or disqualified under the terms of applicable Asbestos/Silica PI Trust Claimant Settlement Agreements, (b) that at least one year has passed since notice of final disqualification was sent to each holder of a Settled Silica PI Trust Claim disqualified under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement, and (c) that there are no pending arbitration proceedings or motions before the Bankruptcy Court within the meaning of article 12.2 of the Plan brought by a Settled Silica PI Trust Claimant challenging his or her disqualification.

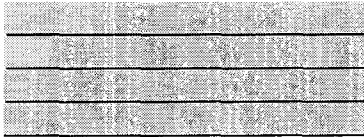
ARTICLE 3

GENERAL PROVISIONS

3.1 Any notices or other communications required or permitted hereunder shall be in writing and shall be delivered by registered or certified mail, return receipt requested, postage prepaid, facsimile, or email to:

If to the Silica PI Trust through the Trustee:

Martin J. Murphy
c/o Davis & Young
1700 Midland Building
101 Prospect Avenue, West
Cleveland, Ohio 44115-1027
Facsimile: (216) 621-0602
Email: mmurphy@davisyoung.com



If to the Legal Representative:

Eric D. Green
Resolutions, LLC
155 Federal Street
Boston, Massachusetts 02110
Facsimile: 617.556.9900
Email: ericdgreen@resolutionsllc.com

and

James L. Patton, Jr.
Young Conaway Stargatt & Taylor, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Facsimile: 302.571.1253
Email: jpatton@vcst.com

If to the Reorganized Debtors:

DII Industries, LLC
Attn: General Counsel
1401 McKinney, Suite 2400
Houston, Texas 77010
Facsimile: 713.759.2622

and

Jeffrey N. Rich
Kirkpatrick & Lockhart LLP
599 Lexington Avenue
New York, New York 10022
Facsimile: 212.536.3901
Email: jrich@kl.com

and

Michael G. Zanic
Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222
Facsimile: 412.355.6501
Email: mzanic@kl.com

and

Jack L. Kinzie
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Facsimile: 214.661.4727
Email: jack.kinzie@bakerbotts.com

3.2 The entire agreement of the parties relating to the subject matter of this Agreement is contained herein and in the Plan Documents, and this Agreement and such documents shall supersede any prior oral or written agreements concerning the subject matter hereof.

3.3 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to its principles of conflicts of law.

3.4 This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement this ___ day of _____ 2004.

TRUSTEE

By: _____

Name: _____

DEBTORS

MID-VALLEY, INC.,
a Pennsylvania corporation

By: _____

Name: _____

Title: _____

DII INDUSTRIES, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT ENGINEERING, CORP.,
a New York corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Panamanian corporation

By: _____

Name: _____

Title: _____

BPM MINERALS, LLC,
a New Jersey limited liability company

By: _____

Name: _____

Title: _____

Document comparison done by DeltaView on Thursday, November 04, 2004 5:33:32 PM

Input:	
Document 1	PowerDocs://DAL02/403999/1
Document 2	PowerDocs://DAL02/418060/1
Rendering set	1-Bold Double Underline-Strikethrough

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Redline Summary:		
No.	Change	Text
1-2	Change	"(May 17, 2004)" changed to "(November 4, 2004)"
3	Change	"pursuant to the Joint Prepackaged" changed to "pursuant to the order...Joint Prepackaged"
4-5	Change	"Code, dated November ...such Plan may be amended" changed to "Code, dated May 17, 2004, as amended"
6	Change	"amended, modified, or...to time (the "Plan")." changed to "amended (the "Plan")."
7	Change	"“Glossary”) and such...All capitalized" changed to "“Glossary”). All capitalized"
8	Change	"pending in" changed to "35592 pending in"
9	Change	", Trustee, in" changed to "Martin J. Murphy, Trustee, in"
10	Change	"Percentage at 100%, and...below, the Reorganized" changed to "Percentage at 100%, the Reorganized"
11	Change	"holders of Qualifying Settled Asbestos" changed

		to "holders of Settled Asbestos"
12	Deletion	2.3 Upon receipt of the...Trust Claims Schedule.
13-14	Change	"2.4 Simultaneously with...of the Qualifying" changed to "Within three (3) business...of the Qualifying"
15-16	Change	"directing payment of each Qualifying" changed to "directing payment to each...amount of Qualifying"
17-18	Change	"Silica PI Trust Claim...to article 2.3 above." changed to "Silica PI Trust Claims...letter shall control."
19-20	Change	"2.5 Upon receipt" changed to "2.4 Upon receipt"
21	Change	"Debtors shall fund by wire transfer" changed to "Debtors shall wire transfer"
22	Change	"wire transfer the Qualifying" changed to "wire transfer to the Qualifying"
23-24	Change	"Trust Account in the amounts set forth on" changed to "Trust Account an amount...claims set forth on"
25-26	Change	"Claims Schedule. In the event" changed to "Claims Schedule... In the event"
27	Insertion	2.5 On the last day of...in section 2.4 above.
28	Insertion	Martin J. Murphy
29	Insertion	c/o Davis & Young
30	Insertion	1700 Midland Building
31	Insertion	101 Prospect Avenue, West
32	Insertion	Cleveland, Ohio 44115-1027
33	Insertion	Facsimile: (216) 621-0602
34	Insertion	Email: mmurphy@davisyoung.com

Statistics:	
	Count
Insertions	20
Deletions	14
Moved from	0
Moved to	0

Style change	0
Format changed	0
Total changes	34

Schedule 7

Escrow Agreement

Account Number: _____

Short Title of Account: _____

ESCROW AGREEMENT

This Escrow Agreement (the "Agreement") dated the date set forth on the signature page hereof and effective as of the Effective Date, is by and among the Reorganized Debtors, _____, as Escrow Agent (the "Escrow Agent"), and the individual trustees (the "Asbestos Trustees") of the Asbestos PI Trust and the individual trustee (the "Silica Trustee") of the Silica PI Trust, each of whom is identified on the signature page hereof and were appointed pursuant to the order confirming the Debtors' Fourth Amended and Restated Joint Prepackaged Plan of Reorganization dated May 17, 2004, as amended (the "Plan").

All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Uniform Glossary of Defined Terms for Plan Documents, as filed of record with the Bankruptcy Court on November 3, 2004 (the "Glossary"). All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Reorganization Cases, the Debtors were named as defendants in personal injury and/or wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products.

WHEREAS the Debtors have reorganized under the provisions of Chapter 11 of the Bankruptcy Code in the cases known as *In re Mid-Valley, Inc.*, cases jointly administered under Case No. 03-35592 JKF, pending in the Bankruptcy Court.

WHEREAS the Plan, filed by the Debtors and supported by the Legal Representative and the Asbestos Committee has been confirmed by the Bankruptcy Court and affirmed by the District Court.

WHEREAS the Plan Documents provide, *inter alia*, for the creation of the Asbestos PI Trust and the Silica PI Trust.

WHEREAS, pursuant to the Plan, the Debtors are to contribute, either directly or indirectly, the Asbestos PI Trust Cash Contribution to the Asbestos PI Trust and the Silica PI Trust Cash Contribution to the Silica PI Trust on behalf of the Debtor-Affiliated Protected Parties.

WHEREAS, a portion of the Asbestos PI Trust Cash Contribution together with a portion of the Silica PI Trust Cash Contribution will be deposited in an escrow account at _____ (the "Escrow Account").

WHEREAS the Asbestos Trustees, Silica Trustees, Debtors and Escrow Agent hereby agree that the Escrow Agent shall hold the Escrow Property (as defined herein) in escrow and shall distribute Escrow Property in accordance with and subject to the following instructions and terms and conditions.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

ESCROW PROPERTY

1.1 On the Effective Date, the Reorganized Debtors, on behalf of the Debtor-Affiliated Protected Parties, shall contribute the amount of cash equal to \$[_____] to the Escrow Account for disbursement in accordance with the terms and provisions of this Agreement. This amount, less any funds distributed or paid in accordance with this Agreement, is referred to herein as the "Escrow Property."

ARTICLE 2

INSTRUCTIONS

2.1 The Escrow Agent is directed to hold the Escrow Property until receipt of a verified copy of (i) the irrevocable payment instructions of the Managing Trustee of the Asbestos PI Trust in accordance with Section 2.5 of the Asbestos PI Trust Funding Agreement, or (ii) the irrevocable payment instructions of the Trustee of the Silica PI Trust in accordance with Section 2.5 of the Silica PI Trust Funding Agreement. Upon receipt of a verified copy of the irrevocable payment instructions described in subsection (i), the Escrow Agent shall distribute the amount set forth in such payment instructions to the Qualifying Settled Asbestos PI Trust Claims Trust Account (as defined in the Asbestos PI Trust Funding Agreement). Upon receipt of a verified copy of the irrevocable payment instructions described in subsection (ii), the Escrow Agent shall distribute the amount set forth in such payment instructions to the Qualifying Settled Silica PI Trust Claims Trust Account (as defined in the Silica PI Trust Funding Agreement).

2.2 This Agreement shall terminate upon receipt of written certification by the Reorganized Debtors that both the Asbestos PI Trust Funding Agreement and the Silica PI Trust Funding Agreement have terminated in accordance with their terms.

ARTICLE 3

TERMS AND CONDITIONS

3.1 (a) The Reorganized Debtors shall pay the Escrow Agent an annual fee of \$[____], payable upon execution of this Agreement and thereafter on each anniversary date of this Agreement. The annual fee shall be prorated for any portion of a year. The Reorganized Debtors shall be responsible for and shall reimburse the Escrow Agent upon demand for all reasonable third-party out-of-pocket expenses (including reasonable attorney fees), disbursements and advances incurred or made by the Escrow Agent in connection with this Agreement.

(b) The Reorganized Debtors shall also pay or reimburse the Escrow Agent upon request for any taxes relating to the Escrow Property incurred in connection herewith and shall indemnify and hold harmless the Escrow Agent for any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this escrow account shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto will provide the Escrow Agent with appropriate W-9 forms for tax I.D., number certifications or W-8 forms for non-resident alien certifications. It is understood that the Escrow Agent shall be responsible for income reporting only with respect to income earned on investment of funds which are a part of the Escrow Property and is not responsible for any other reporting.

(c) This Section 3.1 and Section 3.7 shall survive notwithstanding any termination of this Agreement or the resignation of the Escrow Agent.

3.2 Notwithstanding any provision of this Agreement to the contrary, none of the Escrow Property shall be subject to any set-off, counterclaim, recoupment or other right that the Escrow Agent might have against a Reorganized Debtor or against any other person or entity for any reason whatsoever (other than for the Escrow Agent's compensation as described in Section 3.1(a)).

3.3 The duties, responsibilities and obligations of the Escrow Agent shall be limited to those expressly set forth herein and no duties, responsibilities or obligations shall be inferred or implied. The Escrow Agent shall not be subject to, nor required to comply with, any other agreement between or among any or all of the parties hereto, even though reference thereto may be made herein, or to comply with any direction or instruction (other than those contained herein or delivered in accordance with this Agreement) from any other party hereto or any entity acting on such party's behalf. The Escrow Agent shall not be required to, and shall not, expend or risk any of its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

3.4 If at any time the Escrow Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects Escrow Property (including, but not limited to, orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer

of Escrow Property), the Escrow Agent is authorized to comply therewith in any manner as it or its legal counsel of its own choosing deems appropriate; and if the Escrow Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Escrow Agent shall not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

3.5 (a) The Escrow Agent shall not be liable for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence or willful misconduct on its part. In no event shall the Escrow Agent be liable (i) for acting in accordance with or relying upon any instruction, notice, demand, certificate or document that it reasonably believes to have been signed by the proper parties, (ii) for any consequential, punitive or special damages, (iii) for the acts or omissions of its nominees, correspondents, designees, subagents or subcustodians or (iv) for an amount in excess of the value of the Escrow Property, valued as of the date of deposit.

(b) The Escrow Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Escrow Agent (including, but not limited to, any act or provision of any present or future law or regulation or governmental authority, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility).

(c) The Escrow Agent may consult with legal counsel at the expense of the Reorganized Debtors as to any matter relating to this Agreement, and the Escrow Agent shall not incur any liability in acting in good faith in accordance with any advice from such counsel.

3.6 The Escrow Agent shall provide to the Reorganized Debtors monthly statements identifying the distributions made and remaining amount of the Escrow Property and each such statement shall be deemed to be correct and final upon receipt thereof by the Reorganized Debtors unless the Escrow Agent is notified in writing to the contrary within thirty (30) calendar days of the date of such statement.

3.7 The Reorganized Debtors, jointly and severally, shall be liable for and shall reimburse and indemnify the Escrow Agent and hold the Escrow Agent harmless from and against any and all claims, losses, liabilities, costs, damages or expenses (including reasonable attorneys' fees and expenses) (collectively, "Losses") arising from or in connection with or related to this Agreement or being the Escrow Agent hereunder (including, but not limited to, Losses incurred by the Escrow Agent in connection with its successful defense, in whole or in part, of any claim of gross negligence or willful misconduct on its part); *provided, however*, that nothing contained herein shall require the Escrow Agent to be indemnified for Losses caused by its gross negligence or willful misconduct.

3.8 (a) The parties hereto may remove the Escrow Agent at any time by giving to the Escrow Agent thirty (30) calendar days' prior notice in writing signed by all parties hereto (other than the Escrow Agent). The Escrow Agent may resign at any time by giving to the other parties hereto fifteen (15) calendar days' prior written notice thereof.

(b) Within ten (10) calendar days after giving the foregoing notice of removal to the Escrow Agent or receiving the foregoing notice of resignation from the Escrow Agent, the other parties hereto shall appoint a successor Escrow Agent. If a successor Escrow Agent has not accepted such appointment by the end of such 10-day period, the Escrow Agent may, in its sole discretion, apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief. The costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Escrow Agent in connection with such proceeding shall be paid by the Reorganized Debtors.

(c) Upon receipt of the identity of the successor Escrow Agent, the Escrow Agent shall either deliver the Escrow Property then held hereunder to the successor Escrow Agent, less Escrow Agent's fees, costs and expenses or other obligations owed to Escrow Agent, or hold such Escrow Property (or any portion thereof), pending distribution, until all such fees, costs and expenses or other obligations are paid.

(d) Upon delivery of the Escrow Property to a successor Escrow Agent, the Escrow Agent shall have no further duties, responsibilities or obligations hereunder.

3.9 (a) In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by the Escrow Agent hereunder, the Escrow Agent may, in its sole discretion, refrain from taking any action other than to retain possession of the Escrow Property, unless the Escrow Agent receives written instructions, signed by all other parties hereto, which eliminates such ambiguity or uncertainty.

(b) In the event of any dispute between or conflicting claims by or among the parties hereto (other than the Escrow Agent) and/or any other person or entity with respect to any Escrow Property, the Escrow Agent shall be entitled, in its sole discretion, to refuse to comply with any and all claims, demands or instructions with respect to such Escrow Property so long as such dispute or conflict shall continue, and the Escrow Agent shall not be or become liable in any way to the other parties hereto for failure or refusal to comply with such conflicting claims, demands or instructions. The Escrow Agent shall be entitled to refuse to act until, in its sole discretion, either (i) such conflicting or adverse claims or demands shall have been determined by a final order, judgment or decree of a court of competent jurisdiction, which order, judgment or decree is not subject to appeal, or settled by agreement between the conflicting parties as evidenced in a writing satisfactory to the Escrow Agent or (ii) the Escrow Agent shall have received security or an indemnity satisfactory to it sufficient to hold it harmless from and against any and all Losses which it may incur by reason of so acting. The Escrow Agent may, in addition, elect, in its sole discretion, to commence an interpleader action or seek other judicial relief or orders as it may deem, in its sole discretion, necessary. The costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with such proceeding shall be paid by the Reorganized Debtors.

3.10 The Escrow Agent does not have any interest in the Escrow Property deposited hereunder but is serving as escrow holder only and having only possession thereof.

ARTICLE 4

GENERAL PROVISIONS

4.1 Any notices or other communications required or permitted hereunder shall be in writing and shall be delivered by registered or certified mail, return receipt requested, postage prepaid, by facsimile, or by email to:

If to the Asbestos PI Trust through the Asbestos Trustees:

Alan R. Kahn
Managing Trustee
DII Industries, LLC Asbestos PI Trust
P.O. Box 1107
230 Jack Leg Lane
Bozeman, Montana 59715
Facsimile: 406.585.8585
Email: arkahn@attglobal.net

and

Michael A. Rosenthal
Gibson Dunn & Crutcher LLP
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201
Facsimile: 214.571.2951
Email: mrosenthal@gibsondunn.com

If to the Silica PI Trust through the Trustee:

Martin J. Murphy
c/o Davis & Young
1700 Midland Building
101 Prospect Avenue, West
Cleveland, Ohio 44115-1027
Facsimile: (216) 621-0602
Email: mmurphy@davisyoung.com

If to the Escrow Agent:

Facsimile: _____
Email: _____

and

Facsimile: _____
Email: _____

If to the Reorganized Debtors:

DII Industries, LLC
Attn: General Counsel
1401 McKinney, Suite 2400
Houston, Texas 77010
Facsimile: 713.759.2622

and

Jeffrey N. Rich
Kirkpatrick & Lockhart LLP
599 Lexington Avenue
New York, New York 10022
Facsimile: 212.536.3901
Email: jrich@kl.com

and

Michael G. Zanic
Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222
Facsimile: 412.355.6501
Email: mzanic@kl.com

and

Jack L. Kinzie
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Facsimile: 214.661.4727
Email: jack.kinzie@bakerbotts.com

4.2 The entire agreement of the parties relating to the subject matter of this Agreement is contained herein and in the Plan Documents and the Funding Agreements, and this Agreement and such documents shall supersede any prior oral or written agreements concerning the subject matter hereof.

4.3 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to its principles of conflicts of law.

4.4 This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____ 2004.

ASBESTOS TRUSTEES

Alan R. Kahn

Robert M. Parker

Mark A. Gleason

SILICA TRUSTEE

Martin J. Murphy

ESCROW AGENT

a _____

By: _____

Name: _____

Title: _____

DEBTORS

MID-VALLEY, INC.,
a Pennsylvania corporation

By: _____

Name: _____

Title: _____

DII INDUSTRIES, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT ENGINEERING CORP.,
a New York corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

KELLOGG BROWN & ROOT INTERNATIONAL, INC.,
a Panamanian corporation

By: _____

Name: _____

Title: _____

BPM MINERALS, LLC,
a New Jersey limited liability company

By: _____

Name: _____

Title: _____