

ASSIGNMENT AGREEMENT

ASSIGNMENT AGREEMENT, dated as of [_____], 2004 (this “Agreement”), made by and among (a) the following parties as sellers hereunder (i) DII INDUSTRIES, LLC, as debtor and debtor-in-possession, and its predecessors, successors and assigns (“DII Industries”), (ii) KELLOGG, BROWN & ROOT, INC., as debtor and debtor-in-possession, and its predecessors, successors and assigns (“KBR”) and (iii) each of the other Releasing Policyholders (as defined in the Settlement Agreement referred to below) (the “Other Releasing Policyholders”, and with DII Industries and KBR, collectively, the “Sellers”, and each, a “Seller”), (b) solely for purposes of Section 3.1, Section 3.2. and Section 5 of this Agreement, HALLIBURTON COMPANY, and its predecessors, successors and assigns (“Halliburton”), and (c) [HDK PURCHASER TRUST], a common law trust organized under the laws of the State of New York (together with its successors and assigns, the “Purchaser”).

RECITALS

Each of (i) the Sellers, and (ii) AIU Insurance Company, American Home Assurance Company, Birmingham Fire Insurance Company, Insurance Company of the State of Pennsylvania, Granite State Insurance Company, Landmark Insurance Company, Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA, New Hampshire Insurance Company, and L’Union Atlantique D’Assurances S.A., and their respective predecessors, successors and assigns (collectively, the “AIG Companies”), are parties to that certain Settlement Agreement and Release (the “Settlement Agreement”), pursuant to which, among other things, (x) the Sellers and the AIG Companies compromised and settled certain disputes concerning the AIG Policies (as defined below) to Asbestos Claims (as defined below), Silica Claims (as defined below) and any other Claims (as defined below) and (y) the Sellers and the AIG Companies agreed to enter into a transaction which, subject to the terms and conditions of the Settlement Agreement, includes a simultaneous payment by the Purchaser to DII Industries of the Payment Amount (as defined below) and an assignment to the Purchaser by the Sellers of all of each Seller’s right, title and interest in and to the AIG Settlement Payments (as defined in the Settlement Agreement), unencumbered by any security interests, liens or other encumbrances, claims or interests of any nature.

In connection therewith, subject to the terms and conditions hereof, the Sellers desire to sell and assign, without recourse or warranty except to the extent set forth herein, and the Purchaser desires to purchase and acquire, on such terms, all of each Seller’s right, title and interest in and to the AIG Settlement Payments, unencumbered by any security interests, liens or other encumbrances, claims or interests of any nature.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Sellers and the Purchaser (collectively, the “Parties”), intending to be legally bound, hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“AIG Consent and Agreement”: a Consent and Agreement to be made by the AIG Companies in favor of the Purchaser in respect of this Agreement.

“AIG Companies”: as defined in the Recitals hereto.

“AIG Policies”: as defined in, or by reference in, the Settlement Agreement.

“AIG Settlement Payments”: as defined in, or by reference in, the Settlement Agreement.

“Approval Order”: as defined in, or by reference in, the Settlement Agreement.

“Asbestos Claims”: as defined in, or by reference in, the Settlement Agreement.

“Assignment Agreement Effective Date”: as defined in Section 4 hereof.

“Assignment of AIG Settlement Payments”: an assignment, substantially in the form of Exhibit A, executed by a duly authorized officer of each of the Sellers and Purchaser.

“Bankruptcy Court”: the United States Bankruptcy Court for the Western District of Pennsylvania, Pittsburgh Division, or, as the circumstances or context requires, the District Court.

“Business Day”: a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

“Chapter 11 Case”: as defined in the Plan.

“Claims”: as defined in, or by reference in, the Settlement Agreement.

“Collateral”: as defined in Section 3.4 hereof.

“Confirmation Order”: as defined in, or by reference in, the Settlement Agreement.

“District Court”: the United States District Court assigned to preside over the Plan.

“Final Order”: as defined in, or by reference in, the Settlement Agreement.

“Parties”: as defined in the Recitals hereto.

“Payment Amount”: \$ <Amount Subject to Confidentiality Restrictions>_____.

“Person”: any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

“Plan”: as defined in, or by reference in, the Settlement Agreement.

“Prime Rate”: from time to time, the rate of interest most recently published in *The Wall Street Journal* (Eastern Edition) as the “prime rate”.

“Purchaser Trustee”: as defined in Section 5.4 hereof.

“Settlement Agreement”: as defined in the Recitals hereto.

“Silica Claims”: as defined in, or by reference in, the Settlement Agreement.

“Transaction Documents”: the collective reference to this Agreement, the Assignment of AIG Settlement Payments, the AIG Consent and Agreement, the Settlement Agreement and the Approval Order.

1.2 Other Definitional Provisions.

(a) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. PURCHASE AND SALE; CLOSING; PAYMENT; TERMINATION

2.1 Purchase and Sale. On the Assignment Agreement Effective Date, subject to the terms and conditions hereof, each Seller shall sell and assign, against payment to DII Industries of the Purchase Amount, without recourse or warranty except to the extent set forth herein, and the Purchaser shall purchase and acquire on such terms, all of each Seller’s right, title and interest in and to the AIG Settlement Payments, unencumbered by any security interests, liens or other encumbrances, claims or interests of any nature. The amount and timing of the AIG Settlement Payments shall be separately agreed to by the AIG Companies and the Purchaser.

2.2 Closing. On the Assignment Agreement Effective Date, in a series of transactions that shall be deemed to take place simultaneously, (i) the Sellers and the Purchaser shall execute and deliver the Assignment of AIG Settlement Payments, (ii) the Purchaser and the AIG Companies shall execute and deliver the AIG Consent and Agreement, (iii) the Purchaser shall pay to the DII Industries in immediately available funds, the Payment Amount, and (iv) the AIG Companies and the Purchaser shall agree to the amount and timing of the AIG Settlement Payments.

2.3 Payment. The payment by the Purchaser to DII Industries of the Payment Amount as provided for in clause (iii) of Section 2.2 above shall be without recourse to the Sellers and shall be final and irrevocable when made. The Purchaser shall not seek

reimbursement of all or part of any such payment, whether by way of a claim for contribution or subrogation, or otherwise, from any Person other than any of the AIG Companies.

2.4 Termination. In the event that any of the Approval Order does not become a Final Order or the conditions precedent in Section 4 hereto have not occurred before February 28, 2005, this Agreement, except for this Section 2.4, and the Assignment of AIG Settlement Payments shall be null and void automatically, the AIG Companies shall have no obligation to pay the Purchaser the AIG Settlement Payments, and the Purchaser shall have no obligation to pay the Payment Amount.

SECTION 3. REPRESENTATIONS AND WARRANTIES AND COVENANTS

3.1 Representations and Warranties of Sellers and Halliburton. Each of Halliburton and each Seller hereby represents and warrants to the Purchaser that, as of the Assignment Agreement Effective Date:

(a) It (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and (ii) has all requisite power, and has all governmental licenses, authorizations, consents and approvals necessary, to own its assets and carry on its business as now being or as proposed to be conducted.

(b) Neither (i) the execution and delivery of the Transaction Documents to which it is a party nor (ii) the consummation of the transactions herein and therein contemplated to which it is a party (the "Transactions") in compliance with the terms and provisions hereof and thereof will (A) conflict with or result in a breach of its charter or by-laws, (B) violate any law, rule or regulation applicable to it, or any order, writ, injunction or decree of any governmental authority applicable to it, or any other material agreement or instrument to which it is a party or by which it or any of its property is bound or to which it is subject, (C) constitute a default under any such material agreement or instrument, or (D) result in the creation or imposition of any lien upon any of its property pursuant to the terms of any such material agreement or instrument.

(c) It has all necessary corporate or other power, authority and legal right to execute, deliver and perform its obligations under each Transaction Document to which it is a party; the execution, delivery and performance by it of each such Transaction Document have been duly authorized by all necessary corporate or other action on behalf of it; and this Agreement has been duly and validly executed and delivered by it, and the other Transaction Documents to which it is a party when executed and delivered by it, and in the case of this Agreement constitutes, and in the case of such other Transaction Documents when executed and delivered will constitute, a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights (in each case excluding the Chapter 11 Case (as defined in, or by reference in, the Settlement Agreement)) and by general equitable principles.

(d) No authorizations, approvals or consents of, and no filings or registrations with, any governmental authority or any securities exchange or any other Person are necessary for the execution, delivery or performance by it of any Transaction Document to which it is a party or for the legality, validity or enforceability thereof.

(e) Upon the effectiveness of the Assignment of AIG Settlement Payments, (i) the Sellers shall not have assigned any rights in the AIG Settlement Payments to any Person other than the Purchaser; and (ii) the Sellers shall have transferred to the Purchaser all right, title and interest in and to the AIG Settlement Payments, unencumbered by any security interests, liens or other encumbrances, claims or interests of any nature.

(f) Timely, adequate and proper notice of the motion seeking approval of the transactions effected by or as contemplated under the Plan (including, but not limited to, the Asbestos/Silica Insurance Company Injunctions and the channeling injunction and releases provided in the Plan and the Transaction Documents) and entry of the Approval Order, including notice of (i) the settlement provided by the Settlement Agreement and the Approval Order as required by Rule 2002(a)(3) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and (ii) the Assignment of AIG Settlement Payments provided under this Agreement and the other Transaction Documents as required by Bankruptcy Rule 2002(a)(2), has been provided by the Sellers by individual mailings to (1) counsel to the Purchaser, (2) each entity set forth in the Debtors' current official service list, including, but not limited to, counsel to the prepetition Asbestos Committee and the Legal Representative, (3) each entity listed on the Bankruptcy Rule 2002 Notice list, and (4) the United States Trustee. Capitalized terms used in this subsection (f) and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

(g) The Sellers constitute all Persons with an interest as insured parties under the AIG Policies.

(h) In the event that Section 3.4 is applicable, each Seller represents that, as of the Assignment Agreement Effective Date with respect to the Collateral:

(i) The Sellers own and have good and marketable title to the Collateral, free and clear of any lien, claim, encumbrance or interest of any Person, except for the interests created under, or expressly permitted by, this Assignment Agreement.

(ii) Other than the security interest granted to Purchaser pursuant to Section 3.4 hereof, the Sellers have not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Collateral. The Sellers have not authorized the filing of and are not aware of any financing statements against any such Seller that include a description of collateral covering the Collateral other than any financing statement relating to the security interest granted to the Purchaser hereunder or that has been terminated; the Sellers are not aware of any material unpaid or unsatisfied judgment, tax or Pension Benefit Guaranty Corporation lien filings or lien filings under the Employee Retirement Income and Security Act of 1974, as amended, against any such Seller.

(iii) This Assignment Agreement together with the Assignment of AIG Settlement Payments creates a valid and continuing security interest (as defined in the Uniform Commercial Code as in effect in the State of New York) in the Collateral in favor of the Purchaser, for the benefit and security of Purchaser, which security interest is prior to all other liens in the Collateral and is enforceable as such against creditors of and purchasers from any Seller and is not subject to the claims of creditors of or purchasers from the Sellers.

(iv) The Sellers have received all consents and approvals required for the grant of a security interest in the Collateral hereunder to the Purchaser.

The representations and warranties of the Sellers contained in this Section 3.1 shall survive the Assignment Agreement Effective Date.

3.2 Covenants of the Sellers and Halliburton. Each of Halliburton and each Seller hereby covenants and agrees from and after the Assignment Agreement Effective Date as follows:

(a) So long as this Agreement shall not have terminated pursuant to Section 2.4 hereof, it shall not amend, or consent to any amendment to, the Settlement Agreement in any manner that would affect the AIG Settlement Payments without the prior written consent of the Purchaser, and it shall provide the Purchaser with prior written notice of any other proposed amendment to the Settlement Agreement.

(b) In the case of a Seller, in the event that such Seller shall receive any payments, securities, instruments or any other property from the AIG Companies in respect of any AIG Settlement Payment, it shall hold any such payment, securities, instruments or other property as property of the Purchaser to which the Purchaser has an absolute right and shall promptly account for and deliver to the Purchaser at such Purchaser's expense all such payments, securities, instruments or any other property (and, in the case of any payment, interest thereon at a rate of interest equal to the Prime Rate, commencing on the date that is five (5) Business Days after the earlier of (i) the date on which such Seller receives written notice from the Purchaser that such payment has been made to such Seller and (ii) the date on which such Seller otherwise acquires actual knowledge that such payment has been made to it) in the same form as may have been received together with any endorsements or documents necessary to transfer such property to the Purchaser, and pending such delivery to hold the same secure in trust for the Purchaser absolutely.

(c) Other than as contemplated by this Agreement, in the case of a Seller, such Seller shall not grant or purport to grant any security interests in or liens or other encumbrances of any nature on any AIG Settlement Payment to any other Person or otherwise transfer or purport to transfer any interest of any nature in any AIG Settlement Payment to any other Person.

(d) It shall not, prior to the date which is one year and one day after the final payment of AIG Settlement Payments, petition or otherwise invoke or cause the Purchaser to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Purchaser under any federal or state bankruptcy, insolvency or

similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Purchaser or any substantial part of its property, or making a general assignment for the benefit of creditors, or ordering the winding up or liquidation of the affairs of the Purchaser.

(e) In the case of each Seller, in the event of a bankruptcy filing by or against it, to the extent permitted by applicable law, such Seller will not oppose any motion by the Purchaser to obtain relief from the automatic stay, if necessary or applicable, with respect to any AIG Settlement Payment, and such Seller waives any and all rights to impair, or challenge in any manner whatsoever, including, without limitation, the validity, priority, extent and/or perfection of the Purchaser's right, title and interest in and to all AIG Settlement Payments.

(f) It shall not, prior to the date which is one year and one day after the final payment of AIG Settlement Payments, institute against, or join or assist any other Person in instituting against, Purchaser any suit, litigation, or other proceeding.

(g) At any time or from time to time after the Assignment Agreement Effective Date, it shall, upon the reasonable request of another Party, execute and deliver any further instruments or documents, and exercise commercially reasonable efforts to take such further actions as may reasonably be required, to fulfill and implement the terms of this Agreement or realize the benefits intended to be afforded hereby. After the Assignment Agreement Effective Date, and upon prior reasonable request, it shall exercise commercially reasonable efforts to cooperate with the other Parties, at the requesting Party's expense, in furnishing non-privileged records, information, testimony and other assistance in connection with any inquiries, actions, audits, proceedings, or disputes involving any of the Parties hereto (other than in connection with disputes between the Parties hereto) related to the AIG Settlement Payments.

The covenants of Halliburton and the Sellers contained in this Section 3.2 are continuing and shall survive the Assignment Agreement Effective Date.

3.3 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to each Seller as follows:

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; and (ii) has all requisite power, and has all governmental licenses, authorizations, consents and approvals necessary, to own its assets and carry on its business as now being or as proposed to be conducted.

(b) Neither (i) the execution and delivery of the Transaction Documents to which it is a party nor (ii) the consummation of the transactions herein and therein contemplated in compliance with the terms and provisions hereof and thereof will (A) conflict with or result in a breach of its organizational documents, (B) violate any law, rule or regulation applicable to it, or any order, writ, injunction or decree of any governmental authority applicable to it, or any other material agreement or instrument to which it is a party or by which it or any of its property is bound or to which it is subject, (C) constitute a default under any such material agreement or instrument, or (D) result in the creation or imposition of any lien upon any of its property pursuant to the terms of any such material agreement or instrument.

(c) It has all necessary corporate or other power, authority and legal right to execute, deliver and perform its obligations under each Transaction Document to which it is a party; the execution, delivery and performance by Purchaser of each such Transaction Document have been duly authorized by all necessary action on behalf of the Purchaser; and this Agreement has been, and the other Transaction Documents to which it is a party will be, duly and validly executed and delivered by the Purchaser and constitutes, or in the case of such other Transaction Documents when executed and delivered will constitute, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights (in each case excluding the Chapter 11 Case (as defined in, or by reference in, the Settlement Agreement)) and by general equitable principles.

(d) No authorizations, approvals or consents of, and no filings or registrations with, any governmental authority or any securities exchange or any other Person, in each case except as shall have been obtained and shall be in full force and effect, are necessary for the execution, delivery or performance by the Purchaser of any Transaction Document to which it is a party or for the legality, validity or enforceability thereof.

3.4 Security Interest. Although the parties intend that the purchase and sale of the AIG Settlement Payments shall be a purchase and sale and not a loan, in the event that such purchase and sale is deemed to be a loan by a court of competent jurisdiction, each Seller shall be deemed to have pledged to the Purchaser as security for the performance by such Seller of its obligations with respect to such deemed loan, and shall be deemed to have granted the Purchaser a security interest in, all its right, title and interest in and to the AIG Settlement Payments and all proceeds thereof (collectively, the "Collateral"). Each Seller authorizes the Purchaser to file such UCC financing statements as shall be necessary or advisable, in the opinion of the Purchaser, to perfect the foregoing security interest.

3.5 Legal, Tax, Accounting or Other Treatment. Notwithstanding any other provision contained in this Agreement or the Transaction Documents, it is specifically understood and agreed that neither Sellers nor any Person acting on behalf of any of them, makes any warranties or representations or has any responsibility to disclose any relevant information, or has any other responsibility or duty, nor have Sellers or any person acting on their behalf made any covenants or undertakings as to the legal, tax, accounting or other treatment to be accorded Purchaser or any other legal, tax, accounting or other consequences, if any, to Purchaser as a result of or by virtue of the transactions described in this Agreement.

SECTION 4. CONDITIONS PRECEDENT

The effectiveness of this Agreement, and the occurrence of the transactions contemplated herein, are subject to the prior or contemporaneous satisfaction or waiver by the Purchaser of each of the following conditions precedent (the first date on which all such conditions precedent are satisfied, the "Assignment Agreement Effective Date"); provided that the Assignment Agreement Effective Date shall in no event occur before January 4, 2005:

(a) Legal Opinions. The Purchaser shall have received the legal opinions of counsel to the Sellers and counsel to the AIG Companies, in each case in form and substance satisfactory to the Purchaser.

(b) Transaction Documents. The Purchaser shall have received a counterpart of each of the Transaction Documents, duly executed and delivered by each of the parties thereto.

(c) Settlement Agreement. All conditions precedent to the effectiveness of the Settlement Agreement shall have been satisfied, and the Purchaser shall have received an opinion of counsel to the Sellers to that effect in form and substance satisfactory to the Purchaser.

(d) Confirmation Order. The Confirmation Order shall be a Final Order, and the Purchaser shall have received an opinion of counsel to the Sellers to that effect in form and substance satisfactory to the Purchaser.

(e) Approval Order. The Approval Order shall be a Final Order, and the Purchaser shall have received an opinion of counsel to the Sellers to that effect in form and substance satisfactory to the Purchaser.

(f) Plan Effective Date. The “Effective Date”, as defined in the Plan, shall have occurred, and the Purchaser shall have received an opinion of counsel to the Sellers to that effect in form and substance satisfactory to the Purchaser.

SECTION 5. MISCELLANEOUS

5.1 Binding Effect. The terms of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, nominees, and assigns; provided that no Seller shall assign its obligations hereunder without the prior written consent of the Purchaser, and any purported such assignment shall be void *ab initio*.

5.2 Notices. All notices, requests and demands to or upon any Party hereto to be effective shall be in writing (including by facsimile transmission; provided, that all facsimile transmissions shall also be sent by hand delivery or overnight courier) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) in the case of delivery by hand, when delivered, (b) in the case of delivery by overnight courier, one Business Day after being deposited with such overnight courier, or (c) in the case of delivery by facsimile transmission, when sent and receipt has been electronically confirmed, in each case addressed as set forth in Schedule 1 hereto.

5.3 Indemnity.

(a) Each of Halliburton and each Seller hereby indemnifies Purchaser and holds it harmless against any and all losses, claims, damages or liabilities to which Purchaser may become subject arising in any manner out of or in connection with any representation or warranty of Halliburton or a Seller set forth in this Agreement or any other Transaction

Document failing to be true and correct as of the date made or deemed made or the breach by Halliburton or a Seller of or failure by Halliburton or a Seller to observe or comply with any covenant or agreement of a Seller set forth in this Agreement or any other Transaction Document, except to the extent it is finally judicially determined that such losses, claims, damages or liabilities resulted from the gross negligence or willful misconduct of Purchaser or the material breach by Purchaser of its obligations hereunder or under the other Transaction Documents to which it is a party.

(b) Each of Halliburton and each Seller hereby agrees to reimburse Purchaser promptly upon request for any legal or other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuits, investigations, claims or other proceedings with respect to which Halliburton or a Seller is indemnifying Purchaser hereunder.

(c) Any request for reimbursement shall contain reasonable detail for a Seller to verify the propriety of such request.

(d) Each Seller agrees that the indemnification and reimbursement commitments set forth in this Section 5.3 shall apply whether or not the Purchaser is a formal party to any such lawsuits, claims or other proceedings and that such commitments shall extend upon the terms set forth in this paragraph to any controlling person, affiliate, director, officer, employee or agent of Purchaser (each, with Purchaser, an “Indemnified Person”). If indemnification is to be sought hereunder by an Indemnified Person, then as soon as practicable such Indemnified Person shall notify Halliburton and the Sellers of the commencement of any action or proceeding with respect thereto; provided, however, that the failure to so notify Halliburton or a Seller shall not relieve Halliburton to such Seller from any liability that it may have to such Indemnified Person pursuant to this Section 5.3, except to the extent that Halliburton or such Seller has been prejudiced in any material respect by such failure, or from any liability it may have to such Indemnified Person other than pursuant to this Section 5.3.

5.4 Limitation of Liability of Purchaser Trustee. It is expressly understood and agreed by the parties hereto that (a) this Agreement is executed and delivered by U.S. Bank National Association (together with its successors and permitted assigns, “Purchaser Trustee”), not individually or personally, but solely as trustee of the Purchaser, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Purchaser or Purchaser Trustee is made and intended not as personal representations, undertakings and agreements by Purchaser Trustee but is made and intended for the purpose for binding only the Purchaser, (c) nothing herein contained shall be construed as creating any liability on the Purchaser Trustee, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall Purchaser Trustee be personally liable for the payment of any indebtedness or expenses of the Purchaser or Purchaser Trustee or be liable for the breach of failure of any obligation, representation, warranty or covenant made or undertaken by the Purchaser or Purchaser Trustee under this Agreement or any other Transaction Documents. Notwithstanding anything herein or in any of the Transaction Documents to the contrary, nothing herein shall create or impose any liability upon the Purchaser on account of the

AIG Policies, and the Parties hereby acknowledge that the Purchaser is not assuming any liabilities or obligations under the AIG Policies.

5.5 Amendments. No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by officers of each of the Parties and no waiver of any provision of this Agreement, nor consent to any departure by any Party, shall be effective unless it is in writing and signed by an officer of the Party affected thereby, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

5.6 Counterparts. This Agreement may be executed in counterparts and all such counterparts taken together shall be deemed to constitute a single agreement. Delivery of an executed counterpart of a signature page to this Agreement in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

5.7 Entire Agreement. This Agreement shall constitute the entire understanding and agreement between the Parties hereto with respect to the subject matter hereof.

5.8 Severability. If any clause or provision of this Agreement is deemed to be invalid, void or unenforceable, it shall be severed from this Agreement and all other provisions herein shall remain in effect.

5.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5.10 SUBMISSION TO JURISDICTION. EACH PARTY IRREVOCABLY CONSENTS TO PERSONAL AND SUBJECT MATTER JURISDICTION IN THE BANKRUPTCY COURT AND DISTRICT COURT THROUGH AND INCLUDING THE DATE THAT THE CHAPTER 11 CASE ARE CLOSED AND IN THE STATE AND/OR FEDERAL COURTS OF NEW YORK, IN THE UNITED STATES OF AMERICA, FOR RESOLUTION OF ANY ISSUE THAT ARISES BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND SERVICE OF PROCESS MAY BE MADE UPON ANY PARTY BY MAILING AND/OR FAXING TO THE OTHER PARTIES A COPY OF THE APPLICABLE DOCUMENTATION.

5.11 WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY ASSIGNMENT AGREEMENT.

5.12 Limitation on Recourse Arising From Sale of AIG Settlement Payments. Notwithstanding anything herein to the contrary, the sale by the Sellers to the Purchaser of the AIG Settlement Payments hereunder and under the Assignment of AIG Settlement Payments is made without representation, warranty or covenant by any Seller, except as expressly set forth in

the Transaction Documents to which a Seller is a party, and recourse to a Seller in connection therewith is limited solely to such Seller's obligations under Section 5.3 hereof.

5.13 Acknowledgements; Confidentiality.

(a) Each of the Sellers and Halliburton acknowledges that it has entered into the Settlement Agreement and this Agreement in consideration of the payment by the Purchaser of the Payment Amount and without regard to the amount of the AIG Settlement.

(b) Each of Halliburton and each Seller agrees to keep confidential this Agreement and the Consent and Agreement and the terms hereof and thereof, provided that the foregoing shall not apply to disclosure (i) consisting of the filing of this Agreement and the Consent and Agreement as exhibits to any pleadings filed in the Chapter 11 Case, (iii) to its employees, directors, agents, attorneys, accountants and other professional advisors who are directly involved in the transactions contemplated by this Agreement or otherwise need to know of such transactions, or (iv) in response to any subpoena or order of any court or other governmental authority or as may otherwise be required pursuant to any applicable laws. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, all persons may disclose to any and all persons, without limitation of any kind, the federal income tax treatment or structure of the transaction contemplated hereby, any fact relevant to understanding the federal tax treatment or structure of such transaction, and all materials of any kind (including opinions or other tax analyses) relating to such federal tax treatment or structure

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

PURCHASER

[HDK PURCHASER TRUST]

By: U.S. BANK NATIONAL ASSOCIATION,
as Purchaser Trustee

By: _____

Name:

Title:

HALLIBURTON

HALLIBURTON COMPANY

By: _____

Name:

Title:

SELLERS

DII INDUSTRIES, LLC

By: _____

Name:

Title:

KELLOGG, BROWN & ROOT, INC.

By: _____
Name:
Title:

OTHER RELEASING POLICYHOLDERS:

[NAME]

By: _____
Name:
Title:

[NAME]

By: _____
Name:
Title:

NOTICE INFORMATION

SELLERS

DII INDUSTRIES, LLC

[Name]
President
DII Industries, LLC
[Address]
[City], [State] [Zip]
Telephone: [_____]]
Facsimile: [_____]]

Jeffrey N. Rich
Kirkpatrick & Lockhart
599 Lexington Avenue
New York, New York 10022
Telephone: (212) 536-4097
Facsimile: (212) 536-3901

KELLOGG, BROWN & ROOT, INC.

[Name]
President
Kellogg, Brown & Root, Inc.
[Address]
[City], [State] [Zip]
Telephone: [_____]]
Facsimile: [_____]]

Jeffrey N. Rich
Kirkpatrick & Lockhart
599 Lexington Avenue
New York, New York 10022
Telephone: (212) 536-4097
Facsimile: (212) 536-3901

[NAME OF OTHER RELEASING POLICYHOLDER]

[Name]
President
[Name of Company]
[Address]
[City], [State] [Zip]
Telephone: [_____]]
Facsimile: [_____]]

Jeffrey N. Rich
Kirkpatrick & Lockhart
599 Lexington Avenue
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Telephone: (212) 536-4097
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Facsimile: (212) 536-3901

PURCHASER

[HDK PURCHASER TRUST]
c/o U.S. Bank National Association
100 Wall Street, 16th Floor
New York, NY 10005

HALLIBURTON

HALLIBURTON COMPANY

[Name]
President
Halliburton Company
[Address]
[City], [State] [Zip]
Telephone: [_____]]
Facsimile: [_____]]

Jeffrey N. Rich
Kirkpatrick & Lockhart
599 Lexington Avenue
New York, New York 10022
Telephone: (212) 536-4097
Facsimile: (212) 536-3901

FORM OF ASSIGNMENT OF AIG SETTLEMENT PAYMENTS

ASSIGNMENT OF AIG SETTLEMENT PAYMENTS, dated as of _____, 2004 (this "Assignment"), is made by and among (i) DII INDUSTRIES, LLC, as debtor and debtor-in-possession, and its predecessors, successors and assigns ("DII Industries"), (ii) KELLOGG, BROWN & ROOT, INC., as debtor and debtor-in-possession, and its predecessors, successors and assigns ("KBR") and (iii) each of the other Releasing Policyholders (together with Halliburton DII Industries and KBR, collectively, the "Assignors", and each, an "Assignor") and [HDK PURCHASER TRUST], a common law trust organized under the laws of the State of New York (together with its successors and assigns, the "Assignee").

Reference is made to that certain Assignment Agreement, dated as of [_____], 2004 (as amended, supplemented or otherwise modified from time to time, the "Agreement"), entered into by and among the Assignors, Halliburton and the Assignee. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto by the Agreement.

WHEREAS, subject to the terms and conditions of this Assignment, each Assignor desires to sell, transfer and irrevocably assign to the Assignee all of its right, title and interest in and to the AIG Settlement Payments (unencumbered by any security interests, liens or other encumbrances, claims or interests of any nature); and

WHEREAS, the Assignee is willing to accept such assignment of the AIG Settlement Payments;

NOW THEREFORE, each of the Assignors and the Assignee agree as follows:

1. **ASSIGNMENT.** Each Assignor hereby absolutely and irrevocably assigns and transfers to the Assignee, as of the date hereof, all right, title, benefit and interest it has or may have in and to the AIG Settlement Payments and all proceeds thereof (the "Assigned Claim"). For the avoidance of doubt, the Assigned Claim includes the right to pursue in the name of the Assignors or directly, by legal proceeding or otherwise, the AIG Companies, including any successors or assigns, for failure to pay any of the AIG Settlement Payments. From and after the effectiveness of the assignment, the Assigned Claim shall be the sole property of the Assignee.

2. **CONSIDERATION.** In consideration of the assignment described in Paragraph 1 above, the Assignee shall pay to the DII Industries (or as otherwise directed by the Bankruptcy Court) on the Assignment Agreement Effective Date, by wire transfer of immediately available funds, an amount equal to the Payment Amount. Each Assignor acknowledges that such consideration is full and adequate consideration for the Assigned Claim and directs the Assignee to wire the funds to the following account (or as otherwise directed by the Bankruptcy Court):

[Bank]
ABA#
A/C#
A/C Name:
Attn:

3. REPRESENTATIONS AND WARRANTIES. Each Party hereby confirms each of the representations and warranties made by it to the other Party pursuant to the Agreement are true and accurate as of the date hereof.

4. LIMITATION ON RECOURSE ARISING FROM THE SALE OF AIG SETTLEMENT PAYMENTS. Notwithstanding anything herein to the contrary, the sale by the Assignors to the Assignee of the AIG Settlement Payments hereunder and under the Agreement is made without representation, warranty or covenant by any Assignor, except as expressly set forth in the Transaction Documents to which it is a party, and recourse to any Assignor in connection therewith is limited solely to such Assignor's obligations under the Transaction Documents.

5. BINDING EFFECT. The terms of this Assignment shall be binding upon and inure to the benefit of each of the Assignors, the Assignee, and their respective successors, nominees, and assigns.

6. AMENDMENT. No amendment of any provision of this Assignment shall be effective unless it is in writing and signed by officers of each Assignor and the Assignee, and no waiver or any provision of this Assignment, nor consent to any departure by any Assignor or the Assignee therefrom, shall be effective unless it is in writing and signed by an officer of the party affected thereby, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

7. COUNTERPARTS. This Assignment may be executed in counterparts and all such counterparts taken together shall be deemed to constitute a single agreement. Delivery of an executed counterpart of a signature page to this Assignment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed as of the date first above written by their respective duly authorized officers.

ASSIGNORS

DII INDUSTRIES, LLC

By: _____

Name:

Title:

KELLOGG, BROWN & ROOT, INC.

By: _____

Name:

Title:

OTHER RELEASING POLICYHOLDERS:

[NAME]

By: _____

Name:

Title:

[NAME]

By: _____

Name:

Title:

ASSIGNEE

[HDK PURCHASER TRUST]

By: U.S. BANK NATIONAL ASSOCIATION,
AS PURCHASER TRUSTEE

By: _____
Name:
Title: