

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YARWAY CORPORATION,

Debtor.

Chapter 11

Case No. 13-11025 (BLS)

**DISCLOSURE STATEMENT WITH RESPECT TO PLAN OF
REORGANIZATION FOR YARWAY CORPORATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY
YARWAY CORPORATION AND TYCO INTERNATIONAL PLC**

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Dated: December 22, 2014

The Plan of Reorganization provides for an “Asbestos Personal Injury Channeling Injunction” pursuant to section 524(g) of the Bankruptcy Code. For a description of the causes of action to be enjoined and the identities of the entities that would be subject to the injunction, see Article X of the Plan and Article VIII of this Disclosure Statement.

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE FILING AND DISSEMINATION OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS A SOLICITATION OF ACCEPTANCES OF THE PLAN. ACCEPTANCES OF THE PLAN MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE. THE DEBTOR MAY SUPPLEMENT OR AMEND THIS DISCLOSURE STATEMENT OR ANY EXHIBITS ATTACHED HERETO AT ANY TIME PRIOR TO THE HEARING TO APPROVE THE DISCLOSURE STATEMENT.

- Date by which Ballots and Master Ballots must be received: _____, 2015
- Date by which objections to Confirmation of the Plan must be filed and served: _____, 2015
- Hearing on Confirmation of the Plan: _____, 2015 at __:__.m. (ET)

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DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES AND CONFIRMATION OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY OTHER PURPOSE. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT AND ANY ACCOMPANYING DOCUMENTS.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ATTACHED TO THE PLAN, WHICH CONTROL IN THE EVENT OF ANY INCONSISTENCY OR INCOMPLETENESS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE.

ANY STATEMENTS IN THIS DISCLOSURE STATEMENT CONCERNING THE PROVISIONS OF ANY DOCUMENT ARE NOT NECESSARILY COMPLETE, AND IN EACH INSTANCE REFERENCE IS MADE TO SUCH DOCUMENT FOR THE FULL TEXT THEREOF. CERTAIN DOCUMENTS DESCRIBED OR REFERRED TO IN THIS DISCLOSURE STATEMENT HAVE NOT BEEN ATTACHED AS EXHIBITS BECAUSE OF THE IMPRACTICABILITY OF FURNISHING COPIES OF SUCH DOCUMENTS TO ALL RECIPIENTS OF THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016 AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS, OTHER NON-BANKRUPTCY LAWS, OR THE LAWS OF ANY FOREIGN JURISDICTION.

THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE OR FOREIGN SECURITIES REGULATOR, AND NEITHER THE SEC NOR ANY STATE OR FOREIGN SECURITIES REGULATOR HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OF OR CLAIMS AGAINST THE DEBTOR OR ANY RELATED PARTY SHOULD EVALUATE THIS DISCLOSURE

STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THIS DISCLOSURE STATEMENT AND ANY ACCOMPANYING DOCUMENTS ARE THE ONLY DOCUMENTS TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ON THE PLAN. NO SOLICITATION OF VOTES MAY BE MADE EXCEPT AFTER DISTRIBUTION OF THIS DISCLOSURE STATEMENT.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS. THE WORDS "BELIEVE," "MAY," "WILL," "ESTIMATE," "CONTINUE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS IDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED IN ARTICLE X OF THIS DISCLOSURE STATEMENT, "CERTAIN RISK FACTORS TO BE CONSIDERED." IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR, AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. NEITHER YARWAY NOR REORGANIZED YARWAY UNDERTAKES ANY OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND IN ITS EXHIBITS HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

THE DEBTOR'S MANAGEMENT, IN CONSULTATION WITH THE DEBTOR'S PROFESSIONAL ADVISORS, PREPARED THE PROJECTIONS PROVIDED IN THIS DISCLOSURE STATEMENT. THEY HAVE NECESSARILY BASED THE PROJECTIONS ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, THOUGH CONSIDERED REASONABLE BY MANAGEMENT, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO CERTAIN UNCERTAINTIES AND CONTINGENCIES, SOME OF WHICH WILL BE BEYOND REORGANIZED YARWAY'S CONTROL. THE DEBTOR CAUTIONS THAT IT CANNOT MAKE ANY REPRESENTATIONS AS TO THE ACCURACY OF THESE PROJECTIONS OR TO REORGANIZED YARWAY'S ABILITY TO ACHIEVE THE PROJECTED RESULTS. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY,

STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR OR REORGANIZED YARWAY.

I. EXECUTIVE SUMMARY OF THE PLAN OF REORGANIZATION

Yarway Corporation (“Yarway” or the “Debtor”) and Tyco International plc (“Tyco” and, together with Yarway, the “Plan Proponents”) are soliciting votes for the acceptance of *Plan of Reorganization for Yarway Corporation Under Chapter 11 of the Bankruptcy Code Proposed by Yarway Corporation and Tyco International plc* (as the same may be amended from time to time, the “Plan”) from holders of Claims.

Unless otherwise stated herein with respect to any particular section, please refer to Article I of the Plan for definitions of capitalized terms used but not defined in this Disclosure Statement.

A. Overview

The centerpiece of the Plan is the establishment of a trust under section 524(g) of the Bankruptcy Code (as defined in the Plan, the “Asbestos Personal Injury Trust”) and an injunction (as defined in the Plan, the “Asbestos Personal Injury Channeling Injunction”) that will channel all current asbestos-related Claims and future asbestos-related Demands to the Asbestos Personal Injury Trust. The scope of the injunction will, *inter alia*, cover all current and future asbestos-related personal injury and wrongful death Claims, Demands and Causes of Action based in whole or in part on actual or alleged conduct or products of Yarway or Gimpel Corporation (“Gimpel”). The injunction will enjoin all current asbestos-related Claims and future asbestos-related Demands, in any jurisdiction around the world, arising from or attributable to the manufacture, sale, or distribution of Yarway Product Lines and asserted against any of the Protected Parties, which include, without limitation, Yarway and Tyco and their current and former affiliates, the Settling Asbestos Insurers, and each of their respective past and present officers, directors and professionals. Section 10.3 of the Plan sets forth the Asbestos Personal Injury Channeling Injunction and Section 1.1.82 of the Plan lists the Protected Parties thereunder.

The Asbestos Personal Injury Trust will be funded primarily with \$325 million in cash contributed by Yarway and by Tyco on behalf of themselves and certain other Protected Parties pursuant to the Settlement described below, and with 100% of Reorganized Yarway’s equity. The assets of the Asbestos Personal Injury Trust will be used to resolve all Asbestos Personal Injury Claims in accordance with the terms of the Asbestos Personal Injury Trust Distribution Procedures annexed as an exhibit to the Plan. The assets of the Asbestos Personal Injury Trust are limited and must be managed by the Asbestos Personal Injury Trustees to ensure that funds are available to pay all current claimants as well as all expected future claimants.

The Debtor estimates that the total allowed amount of all pre-petition Claims other than Asbestos Personal Injury Claims and Intercompany Claims will be approximately \$100,000. The Plan provides that all such Claims (other than Asbestos Personal Injury Claims and Intercompany Claims) will be unimpaired. The holders of such Claims are directed to other portions of this Disclosure Statement and to the Plan for a more detailed discussion of the treatment of such Claims.

B. The Settlement

The Plan incorporates a global settlement between Yarway, Tyco and various other Protected Parties, on the one hand, and the Asbestos Claimants Committee and the Future Claimants' Representative, on the other hand (the "Settlement"). The basic terms of the Settlement are set forth in a term sheet filed with the Bankruptcy Court on December 12, 2014 [Docket No. 687] (the "Settlement Term Sheet"). In summary, the Settlement provides, among other things, that Yarway and Tyco, in Tyco's case on behalf of itself and various other Protected Parties, will collectively contribute \$325 million in Cash to the Asbestos Personal Injury Trust, and Tyco will also contribute, on behalf of itself and various other Protected Parties, certain additional consideration to Yarway, including the release of all Intercompany Claims against Yarway held by Tyco and its affiliates, all as set forth in the Plan. Yarway will release, among other entities, Tyco and the Non-Debtor Affiliates of Tyco specified on Exhibit G to the Plan from all claims, including without limitation those based on the manufacture, sale, or distribution of Yarway or Gimpel asbestos-containing products. As a further element of the Settlement, the Plan provides for a permanent injunction that bars all further pursuit of Asbestos Personal Injury Claims arising in any jurisdiction around the world arising from or attributable to the manufacture, sale, or distribution of Yarway Product Lines. All such Asbestos Personal Injury Claims will instead be channeled to and resolved by the Asbestos Personal Injury Trust pursuant to the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures. Section IV.D of this Disclosure Statement contains additional information regarding the Settlement as incorporated in the Plan, including the potential claims and causes of action being released by Yarway. Sections I.C and VIII.E.3 of this Disclosure Statement provide additional information regarding the terms of the channeling injunction as incorporated in the Plan.

C. The Asbestos Personal Injury Channeling Injunction

The Asbestos Personal Injury Channeling Injunction to be issued as part of the Plan will stay, restrain, bar and enjoin Asbestos Personal Injury Claims against Yarway, Reorganized Yarway, the Yarway Related Parties, the Settling Asbestos Insurers¹ and other Protected Parties, arising in any jurisdiction in the world, including, without limitation, Claims and Demands for, attributable to, arising out of, based upon, or resulting from, directly or indirectly, death, bodily injury, sickness, disease, or other personal or emotional injuries to

¹ The "Settling Asbestos Insurers" are those Entities listed on Exhibit K to the Plan, each of which is an insurance company, broker or guaranty association that issued, or that had any actual, potential or alleged liabilities, or duties, under or with respect to any insurance policy or policies to or for the benefit of Yarway or to or for the benefit of any predecessor or successor of Yarway that provided coverage for Asbestos Personal Injury Claims and that entered into a settlement agreement with Yarway prior to the Petition Date to settle or resolve any claim, Cause of Action or rights of Yarway against such Entity relating to coverage available under such policy.

persons caused, or allegedly caused, directly or indirectly, by the presence of, or exposure to, Yarway Product Lines, including, without limitation, any claim based upon a theory of veil piercing, alter ego, successor liability, vicarious liability, mere continuation, fraudulent transfer or conveyance, or conspiracy. The Protected Parties, include, without limitation, Yarway, Reorganized Yarway, Tyco, all current and former affiliates of Tyco other than Yarway, (as listed on Exhibit G to the Plan), the Settling Asbestos Insurers and each of the foregoing entities' current and former shareholders, officers, directors, advisors and other representatives, as set forth in the Plan.

The effect of "channeling" Asbestos Personal Injury Claims to the Asbestos Personal Injury Trust is that they may only be pursued against, and paid from, the Asbestos Personal Injury Trust. Following the Effective Date of the Plan, current and future Asbestos Personal Injury Claims may not be asserted against Yarway, Reorganized Yarway or any other Protected Party.

D. Contributions to the Asbestos Personal Injury Trust

Yarway and Tyco, on behalf of themselves and various other Protected Parties detailed below, will contribute, or cause to be contributed, the following consideration to the Asbestos Personal Injury Trust on the Effective Date:

- (i) \$325 million in immediately available funds, to be contributed in accordance with the Implementation Steps Plan; and
- (ii) 100% of the equity of Reorganized Yarway.

Tyco and the other Non-Debtor Affiliates will also waive, release and discharge any Intercompany Claims that they have against Yarway or Reorganized Yarway.

For the reasons detailed in this Disclosure Statement, the Plan Proponents believe that there will be substantially more assets available to resolve Asbestos Personal Injury Claims under the Plan than would be the case if there were no Plan because, among other reasons, Tyco and Yarway are contributing substantial assets to the Asbestos Personal Injury Trust on behalf of themselves and the Protected Parties in exchange for the protections provided to all those parties under the Plan, which would not be contributed otherwise. Moreover, without the settlements and distribution procedures in the Plan, there likely would be years of costly and time-consuming litigation involving creditors and other parties. That litigation is avoided through the Plan's orderly administrative process. Absent the Plan, distributions to creditors would most likely be delayed and, due to the costs of litigation, the funds actually available for distribution to creditors and Demand holders may be reduced substantially. For these and other reasons explained in detail herein, the Plan Proponents, the Asbestos Claimants Committee and the Future Claimants' Representative believe that all holders of Claims who are entitled to vote should vote to accept the Plan.

RECOMMENDATION:

The Plan Proponents, the Asbestos Claimants Committee and the Future

Claimants' Representative believe that the Plan provides a fair and reasonable recovery to current claimants and future Demand holders and that acceptance of the Plan is in the best interests of all claimants and Demand holders. Accordingly, the Plan Proponents, the Asbestos Claimants Committee and the Future Claimants' Representative urge you to vote to accept the Plan.

Please note that if there is any inconsistency between the Plan and the descriptions in the Disclosure Statement, the terms of the Plan will govern.

E. Summary of Classification and Treatment of Claims Against and Equity Interests in the Debtor Under the Plan

Except for Administrative Expense Claims and Priority Tax Claims, which are not required to be classified, all Claims and Equity Interests that arose prior to the Petition Date are divided into Classes under the Plan. The following chart summarizes the Plan's treatment of such Claims and Equity Interests. This chart is only a summary, and reference should be made to the entire Disclosure Statement and the Plan for a complete description of the classification and treatment of Claims and Equity Interests. The Plan Proponents, moreover, with the consent of the Asbestos Claimants Committee and the Future Claimants' Representative, reserve the right to modify the Plan consistent with Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS		
Class	Estimated Allowed Amount²	Treatment Under the Plan
Administrative Expense Claims <i>Unclassified</i>	\$_____	Estimated Percentage Recovery: 100% Form of Recovery: Cash
Priority Tax Claims <i>Unclassified</i>	None	Estimated Percentage Recovery: 100% Form of Recovery: Cash
Priority Claims <i>Class 1</i>	None	Unimpaired Estimated Percentage Recovery: 100% Form of Recovery: Cash
Secured Claims <i>Class 2</i>	None	Unimpaired Estimated Percentage Recovery: 100% Form of Recovery: Reinstatement

² Amounts estimated in this table are principal only and do not include any Allowed accrued interest, if applicable.

General Unsecured Claims <i>Class 3</i>	\$100,000	Unimpaired Estimated Percentage Recovery: 100% Form of Recovery: Cash
Asbestos Personal Injury Claims <i>Class 4</i>	N/A	Impaired Initial Payment Percentage: __% Form of Recovery: Cash distribution from the Asbestos Personal Injury Trust
Intercompany Claims <i>Class 5</i>	\$____ million	Impaired Estimated Percentage Recovery: < 1% Form of Recovery: Cash
Equity Interests <i>Class 6</i>	N/A	Impaired Estimated Percentage Recovery: 0% Form of Recovery: N/A

II. INTRODUCTION

On April 22, 2013 (the “Petition Date”), Yarway filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtor’s case is administered under case number 13-11025 (BLS) (the “Chapter 11 Case”).

To facilitate the Debtor’s emergence from bankruptcy and effect its reorganization, on December 22, 2014, the Plan Proponents filed the Plan. A copy of the Plan is attached hereto as Exhibit 1. The Plan Proponents submit this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code to holders of Claims against and Equity Interests in the Debtor in connection with (i) the solicitation of votes to accept the Plan and (ii) the hearing to consider confirmation of the Plan scheduled for _____, 2015, commencing at _____ (ET). Additional copies of the Plan and Disclosure Statement are available free of charge at www.loganandco.com.

The purpose of this Disclosure Statement is to describe the Plan and its provisions and provide certain information, as required of the Debtor under Section 1125 of the Bankruptcy Code, to creditors who will have the right to vote on the Plan so that they can make an informed decision in doing so. Holders of Asbestos Personal Injury Claims and Intercompany Claims are the only creditors entitled to vote on the Plan. Therefore, as further explained below, holders of Asbestos Personal Injury Claims and Intercompany Claims (or their representatives) have received a Ballot and/or Master Ballots for the acceptance or rejection of the Plan together with this Disclosure Statement to enable them to vote on the Plan.

This Disclosure Statement includes, among other things, (1) information pertaining to the Debtor’s prepetition business operations and financial history and the events leading to the filing of the Chapter 11 Case, (2) information respecting significant events that have occurred during

the Chapter 11 Case, (3) an overview of the Plan, which sets forth certain terms and provisions of the Plan, the effects of confirmation of the Plan, alternatives to the Plan, certain tax consequences and risk factors associated with the Plan, and the manner in which distributions will be made under the Plan, (4) an overview of the settlement discussions leading to the Settlement and the formulation of the Plan, (5) a discussion of the Asbestos Personal Injury Trust and the Asbestos Personal Injury Channeling Injunction; and (6) a discussion of the confirmation process and the procedures for voting, which must be followed by the holders of Claims entitled to vote on the Plan in order for their votes to be counted.

A. Voting and Confirmation

1. Voting on the Plan

Under the Bankruptcy Code, not all parties in interest are entitled to vote on a chapter 11 plan. Creditors or equity interest holders whose claims or interests are not impaired by a plan are deemed to accept that plan under Section 1126(f) of the Bankruptcy Code and are not entitled to vote. Creditors or equity interest holders whose claims or interests are impaired by a plan, and who will receive no distribution under such plan, are also not entitled to vote because they are deemed to have rejected such plan under Section 1126(g) of the Bankruptcy Code.

The following summarizes which Classes are entitled to vote on the Plan, and which Classes are not:

- The Plan Proponents are seeking votes from the holders of Claims in Class 4 (Asbestos Personal Injury Claims) and Class 5 (Intercompany Claims).
- The Plan Proponents are not seeking votes from the holders of Claims in Class 1 (Priority Claims), Class 2 (Secured Claims) and Class 3 (General Unsecured Claims) because those Claims are Unimpaired under the Plan, and the holders of Claims in each of these Classes are conclusively presumed to have accepted the Plan and are not entitled to vote on the Plan.
- The Plan Proponents are not seeking votes from the holders of Equity Interests in Class 6 (Equity Interests) because those Equity Interests are not entitled to any distribution under the Plan and holders of Equity Interests are conclusively deemed to have rejected the Plan. Notwithstanding that holders of Equity Interests are deemed to reject the Plan, Tyco Fire & Security, as a Non-Debtor Affiliate and holder of the Equity Interests, supports confirmation of the Plan and urges parties entitled to vote on the Plan to vote to accept the Plan.

See Article VI herein for a more detailed description of the Classes of Claims and Interests and their treatment under the Plan.

2. Solicitation of Votes from Holders of Asbestos Personal Injury Claims and Intercompany Claims

The Debtor has engaged Logan & Company, Inc. (the "Balloting Agent") to assist in the voting process, including tabulation of Ballots and Master Ballots. As explained above, Class 4

(Asbestos Personal Injury Claims) and Class 5 (Intercompany Claims) are the only Classes entitled to vote on the Plan. The Balloting Agent is disseminating “Solicitation Packages” which include:

- (a) a cover letter describing the contents of the Solicitation Package and the enclosed CD-ROM, and instructions for obtaining (free of charge) printed copies of the materials provided in electronic format;
- (b) a notice of the Confirmation Hearing;
- (c) a CD-ROM containing a copy of the Disclosure Statement, a copy of the Plan, and all exhibits to the Disclosure Statement and the Plan (to the extent such exhibits are filed as of the date the Solicitation Packages are distributed);
- (d) the Solicitation Procedures Order (defined below);
- (e) solely for the holders of Asbestos Personal Injury Claims entitled to vote on the Plan and the holders of Intercompany Claims, an appropriate Ballot or Master Ballot and voting instructions for the same;
- (f) solely for the holders of Asbestos Personal Injury Claims entitled to vote on the Plan and the holders of Intercompany Claims, a pre-addressed, return envelope or envelopes for completed Ballot(s) and Master Ballot(s); and
- (g) solely for the holders of Asbestos Personal Injury Claims, a letter from the Future Claimants’ Representative and the Asbestos Claimants Committee urging claimants to vote to accept the Plan.

The Balloting Agent will send to each attorney of record for a holder or holders of Class 4 Asbestos Personal Injury Claims, as listed on the Debtor’s Schedules, a single Solicitation Package containing a Master Ballot.

If (i) an attorney of record does not have authority from an individual holder of an Asbestos Personal Injury Claim to vote on the Plan on such holder’s behalf, or (ii) if such attorney of record wishes the holders of Asbestos Personal Injury Claims that he or she represents to cast their own Ballots to accept or reject the Plan, such attorney of record must submit a list to the Balloting Agent that contains the names, addresses and last four digits of the social security numbers of the applicable holders. The Balloting Agent will then mail the individual holder(s) a Solicitation Package including an individual Ballot with which the claimant may vote on the Plan directly, or, upon request of the attorney, furnish the attorney with the required number of Solicitation Packages so that the attorney may disseminate the Solicitation Packages with the individual Ballots to its clients.

Individual holders of Asbestos Personal Injury Claims may also contact the Debtor’s counsel or the Balloting Agent directly to request a Solicitation Package with an individual Ballot.

In order for your vote to be counted, your Ballot must be properly completed in accordance with the voting instructions on the Ballot and actually received by the Balloting Agent no later than _____, 2015 at _:00 .m. (ET) (the “Voting Deadline”). Ballots should not be sent to the Debtor or Tyco. Any executed Ballot that does not indicate either an acceptance or rejection of the Plan or indicates both an acceptance and rejection of the Plan will not be counted as a vote either to accept or reject the Plan. Before voting on the Plan, each holder of a Claim entitled to vote on the Plan should read, in their entirety, this Disclosure Statement, the Plan, the Solicitation Procedures Order, the notice of the Confirmation Hearing, and the instructions accompanying the Ballots. These documents contain important information concerning how Claims are classified for voting purposes and how votes will be tabulated.

In an additional effort to ensure that all individuals and counsel representing clients with Asbestos Personal Injury Claims are given the opportunity to request Solicitation Packages, Yarway will publish notice of the Confirmation Hearing once in each of *The Philadelphia Inquirer* and *USA Today* at least thirty (30) days prior to the Confirmation Hearing. Yarway will also publish such notice once in each of *Mealey’s Litigation Report: Asbestos* and *Mealey’s Asbestos Bankruptcy Report* at least thirty (30) days prior to the Confirmation Hearing. Finally, Yarway will publish notice of the Confirmation Hearing in a newspaper of general circulation once in each of the following countries: Australia, Brazil, Canada, China, France, Japan, the Netherlands, and the United Kingdom. Affidavits of such publication will be filed with the Bankruptcy Court.

In a further effort to maximize notice and ensure that the solicitation process is as transparent as possible, the Plan Proponents will make the Disclosure Statement and its exhibits (including the Plan) available in electronic format at the Balloting Agent’s website (www.loganandco.com).

If you are the holder of an Asbestos Personal Injury Claim who is entitled to vote, but you did not receive a Ballot or Master Ballot, or if your Ballot or Master Ballot is damaged or illegible, or if you have any questions concerning voting procedures, you may contact the Balloting Agent at:

Yarway Balloting Agent
c/o Logan & Company, Inc.
546 Valley Road
Upper Montclair, NJ 07043
Telephone: (973) 509-3190
Facsimile: (973) 509-1131

FOR MORE DETAILED INFORMATION REGARDING VOTING AND CONFIRMATION OF THE PLAN, SEE ARTICLE IX “CONFIRMATION OF THE PLAN” AND ARTICLE XII, “VOTING PROCEDURES AND RESULTS”, WHICH ARTICLES SPECIFY THE DEADLINES, PROCEDURES AND INSTRUCTIONS FOR VOTING TO ACCEPT OR REJECT THE PLAN, AS WELL AS THE APPLICABLE STANDARDS FOR TABULATING BALLOTS.

B. Confirmation of the Plan

1. Confirmation Hearing

To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether the Plan meets the requirements of the Bankruptcy Code (the “Confirmation Hearing”). The Bankruptcy Court has scheduled the Confirmation Hearing for _____, 2015 at __: __.m. (ET). The Confirmation Hearing will be held before the Honorable Brendan L. Shannon, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom No. 1, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of adjournment at the Confirmation Hearing, at any subsequent adjourned Confirmation Hearing or by notice filed on the docket in the Chapter 11 Case.

2. Objections to Confirmation

Any party in interest may object to confirmation of the Plan and appear at the Confirmation Hearing. The Bankruptcy Court has set _____, 2015 at __: __.m. (ET) time as the deadline (the “Objection Deadline”) for filing and serving objections to the Plan.

Any objection to Confirmation of the Plan must be made in accordance with the requirements of Section 1128(b) of the Bankruptcy Code, Bankruptcy Rule 9014 and the procedures set forth herein. Any such objection must be in writing and must be filed with the Bankruptcy Court and served on the parties below so as to be actually received by the Objection Deadline:

Counsel for the Debtor

Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Attention: Kenneth P. Kansa
Dennis M. Twomey
Telephone: (312) 853-7000
Facsimile: (312) 853-7036

- and -

Cole, Schotz, Meisel, Forman & Leonard, P.A.
500 Delaware Avenue, Suite 1410
Wilmington, Delaware 19801
Attention: Norman L. Pernick
J. Kate Stickle
Telephone: (302) 652-3131
Facsimile: (302) 652-3117

Counsel for the Asbestos Claimants Committee

Caplin & Drysdale, Chartered
One Thomas Circle, N.W., Suite 1100
Washington, DC 20005
Attention: Peter Van N. Lockwood
Kevin C. Maclay
Telephone: (202) 862-7841
Facsimile: (202) 429-3301

- and -

Campbell & Levine LLC
222 Delaware Avenue, Suite 1620
Wilmington, Delaware 19801
Attention: Mark T. Hurford
Kathleen Campbell Davis
Telephone: (302) 426-1900
Facsimile: (302) 426-9947

Counsel for Tyco

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
Attention: Michael A. Rosenthal
Jeremy L. Graves
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

- and -

Richards, Layton & Finger, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Attention: Mark D. Collins
Marcos A. Ramos
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel for the Future Claimants' Representative

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attention: Robert S. Brady
Edwin J. Harron
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Office of the United States Trustee

Office of the United States Trustee
844 King Street, Suite 2207
Wilmington, Delaware 19801
Attention: Richard L. Schepacarter
Telephone: (302) 573-6491
Facsimile: (302) 573-6497

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

III. GENERAL INFORMATION ABOUT THE DEBTOR

A. The Debtor's Business and Properties

1. Company Overview

Yarway is a Delaware corporation in the family of subsidiaries owned by Tyco, a public limited company organized under the laws of Ireland. Yarway historically was a manufacturer of valves and steam traps for the steam power industry. However, Yarway sold substantially all of its operating assets in 2003 pursuant to multiple sale transactions described in Section III.A.2 below. Since that time, Yarway has had no manufacturing, distribution or sales operations.

Yarway currently owns a 49% ownership interest in STI Properties, Ltd. ("STI Properties"), which itself is a 50% member of a joint venture which owns and operates a largely-occupied four-story commercial office building near Cleveland, Ohio. STI Properties was valued at \$4.093 million by an independent appraiser shortly before the Petition Date. The joint venture that owns the office building has historically been profitable, and recorded net income of \$81,000 during the six months ended March 31, 2014, the most recent period for which such data is available. Reorganized Yarway is expected to continue to own the interest in STI Properties after the Effective Date of the Plan.

Tyco is the world's largest pure-play fire protection and security company. Tyco provides more than three million customers around the globe with the latest fire protection and security products and services.

2. Corporate History

Yarway was founded in June 1908 by Robert Yarnall and Bernard Waring and began its existence as the Simplex Engineering Company (“Simplex”). Simplex manufactured the Simplex Pipe Clamp and was first headquartered out of founder Yarnall’s home in West Philadelphia, Pennsylvania. Simplex changed its name to the Yarnall-Waring Company in May 1911, subsequently changed its name to Yarnall-Waring Co. between November 1948 and February 1949, and yet again changed its name to Yarway Corporation in October 1965. Yarway remained a privately-held company from its inception in 1908 until July 1986, when it was acquired by Keystone International, Inc. (“Keystone”) by being merged into Keystone Acquisition Nr. 2, Inc., a Texas corporation, an acquisition subsidiary of Keystone. Keystone Acquisition Nr. 2, Inc. did not conduct any business of its own. As discussed below, it was primarily during the pre-1986 period that Yarway allegedly manufactured, distributed and/or sold asbestos-containing products.

Under Keystone’s ownership, Yarway remained an independent subsidiary and acquired several businesses of its own. Prior to the Keystone acquisition, Tech/Serv Corporation, a Pennsylvania corporation, was a subsidiary of Yarway. To the best of the Debtor’s knowledge, Tech/Serv Corporation provided a steam trap survey and analysis program that recorded the performance level of traps in a facility and identified cost savings measures for the steam/condensate system. Tech/Serv Corporation ceased doing business in 1990, transferred some or all of its assets to Yarway at the end of 1991, was liquidated in 1991, and was dissolved in 1992.

Within a few years after Yarway’s acquisition by Keystone, Yarway created or acquired several additional subsidiaries. Specifically, Yarway Properties, Inc., a North Carolina corporation, was established as a wholly-owned subsidiary of Yarway in 1988. In 1989, Keystone acquired Vanessa S.p.A., an Italian company. Vanessa S.p.A. manufactured high technology rotary process valves. In connection with Keystone’s ownership of the Vanessa business, Yarway acquired the stock of Vanessa Valve Corporation, a Texas corporation (established in order to distribute Vanessa valves in the United States), on December 9, 1991, and Vanessa Valve Corporation merged into Yarway on December 31, 1991.

Ownership of the stock of Yarway was transferred to Keystone Int’l Holdings Corp. (a subsidiary of Keystone) (“Keystone Holdings”) in 1991. Also in 1991, one of Yarway’s subsidiaries, Yarway Acquisition #1, Inc., a Delaware corporation, acquired substantially all of the assets of ValvTron Industries, Inc., a Texas corporation, and Yarway Acquisition #1, Inc. later became Keystone Valvtron, Inc. Keystone Valvtron, Inc. was engaged in the design, manufacture, and marketing of high pressure valves and related products.

Keystone was then sold to Tyco in 1997, at which time Yarway became Tyco’s indirect subsidiary. On the same date in 1997, (i) Keystone Valvtron, Inc. was merged into Yarway, and (ii) Yarway Properties, Inc. was merged into Yarway.

In 1998, Keystone Holdings merged into Keystone. Keystone survived the merger and later that year changed its name to Tyco Flow Control, Inc. Later in the same year, Yarway purchased all of the shares of Gimpel. Gimpel started in the early twentieth century as a machine

shop producing custom-machined parts, but evolved by the mid-1900s into a steam turbine original equipment manufacturer. In 2000, Gimpel was merged into Yarway, with Yarway assuming all liabilities, obligations and penalties of Gimpel.

In 2003, following several years of decline in its business, Yarway ceased all manufacturing operations. It then sold its manufacturing facility in Blue Bell, Pennsylvania to BT Blue Bell, an unrelated third party, for net consideration of approximately \$6.24 million. At roughly the same time, it sold certain of its other manufacturing assets to other third parties. Finally, Yarway sold the remainder of its manufacturing assets, including assets related to the Gimpel business, to Tyco Valves & Controls LP (“TVC”), which at the time was another indirect subsidiary of Tyco, for net consideration of approximately \$31.5 million (the “2003 TVC Transaction”). Yarway remained a separate legal entity after these 2003 asset sales. The consideration from these asset sales forms the basis for a portion of Yarway’s asserted intercompany receivable described in Section III.C(b) below. In addition, Yarway continued to retain its insurance assets after the various sale transactions were consummated in 2003.

In 2006, Tyco Flow Control, Inc. (f/k/a Keystone International, Inc.) transferred, among other things, all of its flow-products related subsidiaries, including Yarway Corporation, to Keystone France Holdings Corporation. In 2012, Tyco’s flow control business was spun off to Tyco shareholders and subsequently merged with and into Pentair, Inc., an unrelated entity. Pentair currently manufactures products under the Yarway brand name. The equity in Yarway Corporation was not transferred as part of such business, and Yarway continued as an indirect subsidiary of Tyco.

Finally, Yarway Merger Corporation was formed in order to convert Yarway from a Pennsylvania corporation to a Delaware corporation. Specifically, on January 4, 2013, Yarway merged with Yarway Merger Corporation, a Delaware corporation, with Yarway Merger Corporation as the surviving entity. Yarway Merger Corporation then changed its name to Yarway Corporation, which is the present-day Yarway entity. Yarway remains an indirect subsidiary of Tyco, with 100% of its equity interests owned by Tyco Fire & Security US Holdings LLC, which itself is an indirect subsidiary of Tyco.

3. Asbestos-Related Personal Injury and Wrongful Death Claims Against Yarway

Yarway and Gimpel have been subject to thousands of personal injury and wrongful death claims asserting that they are liable for damages caused by exposure to asbestos-containing products which Yarway or its predecessor(s)-in-interest allegedly used, sold, manufactured, marketed, produced or distributed. Such claims are included in the Claims, Demands, and Causes of Action referenced in the Plan as “Asbestos Personal Injury Claims”. As defined in the Plan and as used herein, “Asbestos Personal Injury Claims” is comprised of, collectively, the following two categories of Claims, Demands, and Causes of Action: “Indirect Asbestos Personal Injury Claims”³ and “General Asbestos Personal Injury Claims.”⁴ The Asbestos

³ “Indirect Asbestos Personal Injury Claim” is defined, in part, in the Plan to mean any cross-claim, contribution claim, subrogation claim, reimbursement claim, indemnity claim, guaranty claim, or other similar indirect Claim, Demand, or Cause of Action, arising in any jurisdiction around the world, against any Protected Party, whether or not such Claim, Demand, or Cause of Action is or has been reduced to judgment, liquidated, unliquidated, fixed,

Personal Injury Claims are for, attributable to, arising out of, based upon, or resulting from, directly or indirectly, death, bodily injury, sickness, disease, or other personal or emotional injuries to persons caused, or allegedly caused, directly or indirectly, by the presence of, or exposure to asbestos-containing products, equipment, components, parts, improvements to real property, or materials engineered, designed, marketed, manufactured, constructed, sold, supplied, produced, installed, maintained, serviced, specified, selected, repaired, removed, replaced, released, distributed, or in any way used by Yarway (including, without limitation, Gimpel), including without limitation any of those products manufactured, sold or distributed by (a) Yarway Corporation (a Pennsylvania corporation), the statutory predecessor to Yarway, (b) Gimpel Corporation (f/k/a Triple G Acquisition Corporation), a Delaware corporation, which merged into Yarway in 2000, and/or (c) Gimpel Corporation (f/k/a Gimpel Machine Works, Inc.), a Pennsylvania corporation that sold all or substantially all of its assets to Gimpel (the “Yarway Product Lines”). For the avoidance of doubt, “Yarway Product Lines” does not include products, equipment, components, parts, improvements to real property, or materials engineered, designed, manufactured, constructed, or produced by Grinnell Corporation, Mueller Company, Anderson, Greenwood & Co., Kunkle Valve Company Inc., The Henry Pratt Company or any other Non-Debtor Affiliate, or any Representative of any of the foregoing Entities.

During the five years prior to the Petition Date, approximately 10,021 Asbestos Personal Injury Claims were asserted against Yarway, including 1,014 from the beginning of Yarway’s 2013 fiscal year on October 1, 2012 through March 31, 2013. In addition, during the five years prior to the Petition Date, Yarway incurred and paid in excess of \$182 million in defense and settlement costs on account of the Asbestos Personal Injury Claims, including over \$18 million from October 31, 2012 through March 31, 2013. As a consequence of Yarway’s commencement

contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or of legal bases therefor are known or unknown, and whether in the nature of or sounding in tort, or under contract or implied by law (as governed by the applicable non-bankruptcy law), statutory right, warranty, guaranty, contribution, joint liability, joint and several liability, subrogation, reimbursement, or indemnity, or any other theory of law, equity, or admiralty whatsoever for, attributable to, arising out of, based upon, resulting from, or relating to, directly or indirectly, death, bodily injury, sickness, disease, or other personal or emotional injuries to persons caused, or allegedly caused, directly or indirectly, by the presence of, or exposure to, Yarway Product Lines. Please see section 1.1.66 of the Plan for the complete definition of Indirect Asbestos Personal Injury Claim.

⁴ “General Asbestos Personal Injury Claim” is defined, in part, in the Plan to mean any Claim, Demand, or Cause of Action or any portion thereof against, or any debt, liability, or obligation of, Yarway or any other Protected Party, arising in any jurisdiction around the world, whether now existing or hereafter arising, whether in the nature of or sounding in tort, or under contract, warranty, employer liability, or any other theory of law, equity, or admiralty whatsoever (including, without limitation, any Claim, Demand, or Cause of Action based upon (i) a legal or equitable theory of liability in the nature of veil piercing, alter ego, successor liability, vicarious liability, mere continuation, fraudulent transfer or conveyance, or conspiracy, upon which any of the Non-Debtor Affiliates are liable or are alleged to be liable, to the extent arising, directly, indirectly or derivatively, from (a) acts, omissions, business, or operations of Yarway or Gimpel, and/or (b) acts, omissions, business, or operations of any other Entity for whose products or operations Yarway has liability or is alleged to have liability (including, without limitation, Gimpel), to the extent Yarway has or is alleged to have liability for such acts, omissions, business, operations, or products; and (ii) the sale or distribution of Yarway Product Lines by Grinnell Corporation, Mueller Company, Anderson, Greenwood & Co., Kunkle Valve Company Inc., The Henry Pratt Company, or any other Non-Debtor Affiliate, and any Representative of any of the foregoing Entities) for, attributable to, arising out of, based upon, or resulting from, directly or indirectly, death, bodily injury, sickness, disease, or other personal or emotional injuries to persons caused, or allegedly caused, directly or indirectly, by the presence of, or exposure to Yarway Product Lines. Please see section 1.1.60 of the Plan for the complete definition of General Asbestos Personal Injury Claim.

of the Chapter 11 Case, all pending claims and litigation against Yarway, including Asbestos Personal Injury Claims, have been automatically stayed pursuant to Section 362 of the Bankruptcy Code.

Gimpel was also named in a small number of Asbestos Personal Injury Claims prior to the Petition Date. Between 2002 and the Petition Date, Gimpel was named in approximately 5 of such lawsuits, relating to approximately 20 individual plaintiffs. All of those lawsuits were either dismissed without payment prior to the Petition Date or were dormant as of the Petition Date. A predecessor of Gimpel, a Pennsylvania corporation also named 'Gimpel Corporation', may also have been named in a small number (*i.e.*, less than one dozen) of lawsuits asserting Asbestos Personal Injury Claims. No judgment was ever entered against Gimpel on account of an asbestos-related claim, and neither Yarway nor Gimpel ever incurred or paid any settlement costs on account of any asbestos personal injury or wrongful death claim relating to the products or business operations of Gimpel.

All Asbestos Personal Injury Claims have been asserted in the United States. No asbestos-related claims have been asserted against Yarway or Gimpel in any jurisdiction outside of the United States.

4. Asbestos Personal Injury and Wrongful Death Claims Against Non-Debtor Affiliates of Yarway

In addition to the claims asserted against Yarway, certain plaintiffs also have alleged asbestos-related personal injury or wrongful death claims against one or more non-Debtor affiliates of Yarway ("Non-Debtor Affiliates") based upon or arising from alleged exposure to the Yarway Product Lines. Such derivative claims against the Non-Debtor Affiliates are subsumed within the Plan's definition of General Asbestos Personal Injury Claims. Prior to the Petition Date, plaintiffs brought a number of such claims against one or more of the Non-Debtor Affiliates as purported successors to Yarway or based upon some other form of derivative, joint or vicarious liability. On information and belief, none of such claims identifies any product manufactured, distributed, or sold by any of the Non-Debtor Affiliates as a basis for any claims asserted by the applicable plaintiffs against those entities. Instead, the applicable derivative, joint or vicarious liability claims appear to name Non-Debtor Affiliates solely on account of the plaintiffs' purported exposure to the Yarway Product Lines. For example, certain filed complaints include claims against "Tyco International, Inc." as an "alternative entity" to "Yarway Corporation"; "Yarway Corp. c/o Tyco International Inc."; "Tyco Flow Control, Inc. f/k/a Yarway Corporation"; and "Tyco Flow Control, Inc. d/b/a Yarway Corporation."

To the best of the Plan Proponents' knowledge, none of the Non-Debtor Affiliates has ever engaged in or been involved in the manufacture, distribution or sale of any of the Yarway Product Lines. The Non-Debtor Affiliates consistently have denied any liability on account of claims based upon or arising from the Yarway Product Lines. To date, no court has issued a ruling or made a finding that any Non-Debtor Affiliate is liable for any claims based upon or arising from any of the Yarway Product Lines or that any such Non-Debtor Affiliate should be treated as a successor in interest or alter ego of the Debtor, or that Yarway's corporate veil should be pierced. Additionally, Yarway has not entered into or paid any settlements of asbestos-related personal injury or wrongful death claims solely on account of the alleged

activities, omissions, or business of a Non-Debtor Affiliate in connection with claims based upon any of the Yarway Product Lines. Yarway has, however, obtained releases of such claims against the Non-Debtor Affiliates in resolving Asbestos Personal Injury Claims.

5. Prepetition Litigation and the Depletion of Insurance Assets Giving Rise to the Chapter 11 Case

Historically, Yarway had insurance coverage for asbestos liabilities under a number of primary and excess insurance policies issued by various insurers. Yarway's insurance included liability coverage spanning the years from 1968 to 1985, during which Yarway was a separate, privately-held company. A one-year gap existed in the responsive coverage, in 1985-86, due to the presence of the so-called "absolute" asbestos exclusion in the Yarway policies. Following Keystone's acquisition of Yarway in 1986, Yarway had coverage for asbestos claims for one additional year, 1986-87, under two Keystone policies that provided coverage to Yarway as an additional insured. As of the Petition Date, Yarway had collected on all of the insurance policies under which it had coverage for asbestos liabilities and had recovered over \$170 million from the insurers in respect of such policies.

Prior to 2004, the defense of the Yarway asbestos suits was the subject of a cost-sharing agreement negotiated between Yarway and three of its primary insurers. As a result of two insurer insolvencies and a breach of the cost-sharing agreement by the third insurer, Yarway filed an insurance coverage action on October 12, 2004 (the "Coverage Action"). The Coverage Action, styled *Yarway Corporation v. Admiral Ins. Co.* (Case No. CGC-04-435399) (Munter, J.) in San Francisco Superior Court, sought insurance coverage from all of Yarway's known insurers for any Asbestos Personal Injury Claims. By letter dated March 30, 2006, OneBeacon America Insurance Company informed Yarway that all of its primary coverage was exhausted by payment of Asbestos Personal Injury Claims.

After exhaustion of its primary coverage, Yarway notified its first-level excess (umbrella) insurers of the exhaustion of its primary coverage and demanded that these insurers assume responsibility for the costs incurred by Yarway in defense and settlement of the Asbestos Personal Injury Claims. Yarway ultimately successfully negotiated settlements with all of its umbrella and excess insurers, with the last of such settlements reached in 2012. The insurance settlements generally provide that Yarway and/or other Non-Debtor Affiliate(s) will indemnify such insurers for a variety of claims, including potential direct claims brought by asbestos claimants. Each of the Settling Asbestos Insurers is a Protected Party under the Plan.

6. Real Properties

Yarway's address is 4700 Exchange Court, Suite 300, Boca Raton, FL 33431. Yarway does not lease or own any real properties, but has an indirect interest, through STI Properties, in the four-story commercial office building near Cleveland, Ohio, described in Section III.A.1 above.

B. Management of the Debtor**1. Board of Directors and Senior Executive Officers**

The Board of Directors of Yarway currently consists of three members: Joseph Braun, Robert P. Cerutti and Kevin J. Coen.

Set forth below are the senior executive officers of Yarway as of the date of this Disclosure Statement and each officer's position within Yarway.

Name	Position
Robert Cerutti	President
Joseph Braun	Vice President & Treasurer
Kevin J. Coen	Vice President & Secretary
Judy Curry	Vice President & Assistant Treasurer
Robert J. O'Connell	Vice President & Assistant Treasurer
Timothy Timmerman	Vice President & Assistant Treasurer
Tom Vadaketh	Vice President
Deborah J. Scherrer	Assistant Secretary
Sharon Tuffuor	Assistant Secretary

C. Prepetition Indebtedness, Assets and Liabilities**(a) Funded Indebtedness**

Yarway has no prepetition funded indebtedness.

(b) Intercompany Receivables and Payables

Prior to the Petition Date, Tyco and its affiliates utilized the services of a cash pooling affiliate, Citrine Pool LLC ("Citrine"), to facilitate the efficient flow of capital among the Tyco entities. Citrine functioned as a centralized financing and funding entity that regularly advanced funds to its affiliates, as and when needed, and also swept deposits and other cash receipts from such affiliates. Generally, the system's mechanics were such that Yarway had two key bank accounts, one with Citrine, and one with BNY Mellon. The BNY Mellon account was a zero balance account such that payments to-and-from Yarway came in and out of the BNY Mellon account, with any such payments originating from, or being immediately swept into, the Citrine account. Yarway, then, held no actual cash. The Citrine account would simply reflect whether Yarway had a net receivable or net payable balance.

As of the Petition Date, Yarway's books reflected an intercompany receivable, with Citrine reflected as the counterparty, totaling approximately \$90 million. The receivable derived from: (i) approximately \$69.1 million of proceeds from Yarway's insurance settlements reached in 2012, (ii) approximately \$31.5 million from Yarway's sale of certain of its manufacturing assets to TVC in 2003 (as discussed above), and (iii) approximately \$6.5 million from the 2003 sale of the Blue Bell facility in 2003 (as discussed above). Although these three components

total approximately \$107 million, the figure is reduced by approximately \$16.5 million because prior to commencement of the Chapter 11 Case, (i) \$15 million was advanced to Yarway to fund the approximate initial costs of the Chapter 11 Case and (ii) \$4.75 million was made available to Yarway in order to acquire its interest in STI Properties. The interest in STI Properties, however, ultimately cost \$1.5 million and, as a result, a \$3.25 million debit was subsequently made to the Citrine account, which debit reduced the intercompany payable balance.

As of the Petition Date, Yarway's books reflected intercompany payables of at least \$155.7 million, which related to asbestos settlement payments and related defense costs paid by Tyco International Management Company, LLC ("TIMCO") on account of asbestos claims. These payables are reflected on Yarway's books as being owed to Citrine.

(c) Other Assets and Liabilities

Yarway's assets consist of a cash account, the intercompany receivable discussed above and the interest in STI Properties. The cash account currently holds approximately \$7.87 million, which Yarway will continue to use to fund the Chapter 11 Case. The joint venture interest was valued, as of the Petition Date, at approximately \$1.5 million.

Yarway's liabilities principally consist of the intercompany payables discussed above and current and future asbestos liabilities. Yarway previously projected its asbestos liabilities for the seven years from 2011 through 2018 at approximately \$173.6 million (including defense costs). The Asbestos Claimants Committee and the Future Claimants' Representative believe that Yarway's total asbestos liabilities exceed this amount. In addition to the intercompany payables and asbestos-related liabilities, Yarway also has approximately \$100,000 of general unsecured claims shown on its books and records as payable as of the Petition Date, which relate to unpaid fees and expenses of various asbestos defense counsel firms employed by Yarway prior to the Petition Date. Yarway believes, based on its books and records, that it has no liabilities owed as of the Petition Date that are secured by valid and enforceable liens or entitled to priority in payment under applicable provisions of the Bankruptcy Code.

IV. PLAN NEGOTIATIONS AND THE SETTLEMENT

A. Overview

The cost of defending and resolving asbestos-related personal injury and wrongful death claims against Yarway has been substantial, including over \$18 million in settlement costs relating to such claims paid out in the roughly six-month period immediately preceding the Petition Date. In addition, the amount of insurance coverage available to Yarway continued to decline; indeed, during the year prior to the Petition Date, Yarway negotiated settlements involving the last remaining insurance policies that were responsive to its asbestos claims.

In light of these circumstances, Yarway determined that it would be appropriate to commence a case under Chapter 11 of the Bankruptcy Code to preserve its remaining assets and utilize section 524(g) of the Bankruptcy Code to establish and fund a trust that would provide for the fair and equitable treatment of all current and future asbestos-related claims and demands. Section 524(g) contemplates the creation of a trust to "assume the liabilities of a debtor which at the time of entry of the order for relief has been named as a defendant in personal injury,

wrongful death, or property-damage actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products” 11 U.S.C. § 524(g)(2)(B)(i)(I). Section 524(g) further provides for a “channeling” injunction that directs all present and future asbestos-related “demands” to the trust for liquidation and satisfaction of allowed amounts. 11 U.S.C. § 524(g)(1). Accordingly, prior to the Petition Date, Yarway commenced discussions with Tyco and representatives of holders of asbestos-related personal injury and wrongful death claims in an effort to establish consensus on the framework for a chapter 11 plan of reorganization that would satisfy the requirements of section 524(g) of the Bankruptcy Code.

B. Yarway’s Prepetition Discussions with the Pre-Petition Future Claimants’ Representative and the Ad Hoc Committee

1. The Pre-Petition Future Claimants’ Representative

One requirement for a channeling injunction to be effective under section 524(g) is that “as part of the proceedings leading to the issuance of such injunction, the court appoints a legal representative for the purpose of protecting the rights of persons that might subsequently assert [asbestos-related personal injury or wrongful death claims against the debtor]....” 11 U.S.C. § 524(g)(4)(B)(i). In light of this requirement, in late 2011, Yarway sought to engage an independent third-party representative for persons that had not yet asserted, but may in the future assert asbestos-related personal injury claims (the “Pre-Petition Future Claimants’ Representative”). Yarway asked James L. Patton, Jr. whether he would be willing to serve as such Pre-Petition Future Claimants’ Representative, and Mr. Patton agreed. Mr. Patton has a reputation for integrity and has extensive experience with asbestos-related personal injury litigation and asbestos-focused bankruptcy cases. For example, Mr. Patton has served as the future claimants’ representative in the Celotex Corporation, Leslie Controls, Inc., and United Gilsonite Laboratories bankruptcy cases and has represented the future claimants’ representative in the bankruptcy cases of Federal-Mogul Global Inc., Owens-Corning, Armstrong World Industries, Inc., Babcock & Wilcox Company, The Celotex Corporation, Kaiser Aluminum Corporation, Mid-Valley, Inc. (Halliburton), North American Refractories Company, Pittsburgh Corning Corporation, USG Corporation and Specialty Products Holding Corp. (Bondex).

Prior to assuming the role of Pre-Petition Future Claimants’ Representative, Mr. Patton had no association or relationship with, or other connection to, Yarway or any affiliate of Yarway, and had never represented any plaintiff, defendant or insurer in any asbestos-related litigation against Yarway. Mr. Patton retained his law firm of Young Conaway Stargatt & Taylor LLP (“Young Conaway”) in connection with his services as Pre-Petition Future Claimants’ Representative.

2. The Ad Hoc Committee

In fall 2012, Yarway expanded discussions to include representatives of current holders of Asbestos Personal Injury Claims against Yarway, in order to explore further the potential for a plan of reorganization that would include an asbestos trust and a corresponding channeling injunction. Those representatives formed an ad hoc committee of law firms representing claimants asserting Asbestos Personal Injury Claims against Yarway (the “Ad Hoc Committee”)

for the purpose of negotiating the terms of a possible plan of reorganization. The members of the Ad Hoc Committee were: Cooney & Conway; Early, Lucarelli, Sweeney & Strauss; Gori, Julian & Associates, PC; Simmons, Browder, Ginaris, Angelides & Barnerd, LLC; and Weitz & Luxenberg, P.C.

The Ad Hoc Committee retained the law firm of Caplin & Drysdale, Chartered in connection with its discussions surrounding a possible plan of reorganization for Yarway.

3. Pre-Petition Due Diligence and Plan Discussions

The Pre-Petition Future Claimants' Representative and the Ad Hoc Committee, personally and/or through their various representatives, began conducting extensive due diligence concerning the background, nature, and scope of Yarway's alleged liability for Asbestos Personal Injury Claims. This investigation included, among other things, careful review of the facts concerning Yarway's historical involvement with asbestos; the nature and extent of past and pending asbestos litigation against Yarway, including the types of claims asserted and the legal issues raised; the projected value of the present and future Asbestos Personal Injury Claims; and Yarway's insurance and related settlements. The Ad Hoc Committee and the Pre-Petition Future Claimants' Representative also began examining the potential for recovery by Yarway and/or holders of Asbestos Personal Injury Claims from current or former affiliates of Yarway based upon a variety of legal theories, including derivative liability theories, such as alter ego and successor liability, and/or fraudulent conveyance theories.

C. The Chapter 11 Filing and Continuation of Due Diligence and Plan Discussions

By spring 2013, despite the progress being made with the Pre-Petition Future Claimants' Representative and the Ad Hoc Committee, Yarway determined that a near-term bankruptcy filing was necessary to obtain the protection of the automatic stay and preserve its remaining assets for the benefit of all creditors. Consequently, on April 22, 2013, Yarway filed the Chapter 11 Case.

Following the Petition Date, as described more fully in Section V.C below, the Pre-Petition Future Claimants' Representative was appointed as the Future Claimants' Representative in the Chapter 11 Case and four members of the Ad Hoc Committee were included in the seven-member Asbestos Claimants Committee appointed in the Chapter 11 Case. Consequently, plan discussions between the asbestos constituencies and Yarway (and related due diligence) continued on a largely uninterrupted basis after the bankruptcy filing. The due diligence process included, among other things, in-person meetings and conference calls between counsel to the Debtor and counsel to the Asbestos Claimants Committee and Future Claimants' Representative, written responses to certain of the information requests from counsel to the Asbestos Claimants Committee and Future Claimants' Representative, and the review of tens of thousands of pages of documents and electronic files relating to Yarway and its affiliates and predecessors.

As discussions matured and due diligence reached advanced stages, the Asbestos Claimants Committee and Future Claimants' Representative focused their investigation on potential claims and causes of action against Tyco and other affiliates of Yarway, and it became

clear that Tyco would need to take a more direct and active role in the negotiation process. The potential claims and causes of action against Tyco and other Yarway affiliates included theories under which Yarway affiliates may be alleged to be derivatively liable for Asbestos Personal Injury Claims (such as successor liability, alter ego, etc.), potential fraudulent conveyance actions in connection with the 2003 TVC Transaction, and potential challenges to the priority and/or amount of the Intercompany Claims. The parties' respective views of the merits of these and any other potential claims or causes of action would, in turn, inform their views of the size of contribution that should be made to the Asbestos Personal Injury Trust by or on behalf of the Non-Debtor Affiliates in return for the release of all such claims and protection under the channeling injunction.

In light of the foregoing developments, Tyco and its counsel became more directly involved in the plan negotiations in the months leading up to the execution of the Settlement Term Sheet and the filing of the Plan. Representatives of Tyco, Yarway, the Asbestos Claimants Committee, and the Future Claimants' Representative spent considerable time negotiating over the terms of a possible plan of reorganization for Yarway, particularly focusing on the funding for the Trust to be established by the Plan, the contributions to be made by Yarway and Tyco, the terms of the Asbestos Personal Injury Channeling Injunction, the indemnification provisions and the Intercompany Claims. Ultimately, Yarway, Tyco, the Asbestos Claimants Committee, and the Future Claimants' Representative reached an agreement on the key terms for a proposed plan of reorganization. Those terms were reflected in the Settlement Term Sheet and are embodied in the Plan.

D. The Settlement

The Settlement, now embodied in the Plan, reflects a global resolution of all key issues between and among Yarway, Tyco, the Non-Debtor Affiliates, and the holders of Asbestos Personal Injury Claims (including Demands), as represented by the Asbestos Claimants Committee and the Future Claimants' Representative. Key terms of the Settlement include, without limitation, the following:

- Yarway and Tyco will contribute, or cause to be contributed, Cash in the amount of \$325 million in immediately available funds to the Asbestos Personal Injury Trust on the Effective Date of the Plan.
- Tyco and its non-Yarway Affiliates will release all claims related to the Intercompany Claims owed by Yarway to one or more of the Non-Debtor Affiliates, which Intercompany Claims exceed \$247 million on a gross basis.
- Yarway will execute a release in favor of the Tyco Released Parties releasing such parties from any and all claims of Yarway, direct, indirect, or derivative. Section VIII.E of this Disclosure Statement describes such release in greater detail, which is attached to the Plan as Exhibit J thereto.
- The Plan and Confirmation Order will include Tyco, its current and former Affiliates, and a number of related parties within the scope of the Asbestos Personal Injury Channeling Injunction. Section VIII.E of this Disclosure

Statement describes the Asbestos Personal Injury Channeling Injunction in greater detail, and Exhibit G to the Plan specifies the Non-Debtor Affiliates against whom claims are enjoined.

The Plan incorporates the terms of the Settlement and governs in the event of any inconsistency between the Plan and the Settlement Term Sheet or this Disclosure Statement.

V. OTHER EVENTS DURING THE CHAPTER 11 CASE

A. First Day Motions and Applications Filed

On the Petition Date, the Debtor filed certain affidavits, motions and applications for relief designed to minimize disruptions of business operations and to facilitate its reorganization. The more significant of these include the following:

1. Coen Affidavit

On the Petition Date, the Debtor filed an affidavit of Kevin Coen, Yarway's Vice President and Secretary [Docket No. 3] (the "Coen Affidavit"). The Coen Affidavit provides a background of Yarway, including its corporate history and prior operations, provides an overview of the events leading up to the Chapter 11 Case, including Yarway's asbestos claims history and pre-Petition Date negotiations with the Ad Hoc Committee and the Pre-Petition Future Claimants' Representative, and provides factual support for the "first-day" pleadings.

2. Asbestos Claimant Notice Motion

On the Petition Date, the Debtor filed a motion requesting entry of an order authorizing it to file a list of the twenty law firms representing the largest numbers of asbestos plaintiffs asserting claims against the Debtor in lieu of a list of holders of the twenty largest unsecured claims, authorizing it to list the addresses of counsel for asbestos claimants in the creditor matrix in lieu of the claimants' addresses and approving notice procedures for such claimants [Docket No. 5] (the "Asbestos Claimant Notice Motion"). The Bankruptcy Court entered an order approving the Asbestos Claimant Notice Motion on April 25, 2013 [Docket No. 21].

B. Appointment of the Asbestos Claimants Committee

On May 16, 2013, the Office of the United States Trustee ("U.S. Trustee") appointed an Official Committee of Asbestos Personal Injury Claimants (the "Asbestos Claimants Committee") consisting of the following seven members: (i) Rosalie M. Milazzo, Exec. to the Estate of Joseph Milazzo, c/o Weitz & Luxenberg, PC; (ii) Gary Frederick, c/o Cooney & Conway; (iii) Thomas C. Dandridge, Jr., c/o Motley Rice, LLC; (iv) Dale Leavitt, c/o Gori Julian & Associates PC; (v) Frances Kelley, Exec. to the Estate of James Kelley, c/o Shrader & Associates, LLP; (vi) Mary A. Manning, Exec. to the Estate of Carroll E. Manning, c/o Simmons, Browder, Gianaris, Angelides & Barnerd, LLC; and (vii) Vashtee Antle, Exec. to the Estate of Michael Antle, c/o Belluck & Fox [Docket No. 43].

C. Appointment of the Future Claimants' Representative

On April 23, 2013, the Debtor filed a motion authorizing the appointment of James L. Patton, Jr. as the legal representative (the "Future Claimants' Representative") for future asbestos-related claimants [Docket No. 12] (the "FCR Motion"). The Bankruptcy Court entered an order approving the FCR Motion on May 28, 2013 [Docket No. 88]. On October 2, 2014, the Future Claimants' Representative filed the *Supplemental Declaration of James L. Patton, Jr., in Support of the Motion of Debtor for an Order Appointing James L. Patton, Jr. Esq. as Legal Representative for Future Asbestos Personal Injury Claimants* [Docket No. 604] in further support of the FCR Motion.

D. Professional Retention

The following retention motions and applications have been filed in the Chapter 11 Case:

1. Retention of the Debtor's Professionals

(a) Sidley Austin LLP

On May 8, 2013, the Debtor applied (the "Sidley Retention Application") for an order authorizing the retention of Sidley Austin LLP as general reorganization and bankruptcy counsel under section 327(a) of the Bankruptcy Code [Docket No. 48]. The Bankruptcy Court entered an order approving the Sidley Retention Application on May 29, 2013 [Docket No. 94].

(b) Cole, Schotz, Meisel, Forman & Leonard, P.A.

On May 8, 2013, the Debtor applied (the "Cole Schotz Retention Application") for an order authorizing the retention of Cole, Schotz, Meisel, Forman & Leonard, P.A. as general reorganization and bankruptcy co-counsel under section 327(a) of the Bankruptcy Code [Docket No. 49]. The Bankruptcy Court entered an order approving the Cole Schotz Retention Application on May 28, 2013 [Docket No. 85].

(c) Morgan, Lewis & Bockius LLP

On May 8, 2013, the Debtor applied (the "Morgan Lewis Retention Application") for an order authorizing the retention of Morgan, Lewis & Bockius LLP as special asbestos counsel under section 327(e) of the Bankruptcy Code [Docket No. 50]. The Bankruptcy Court entered an order approving the Morgan Lewis Retention Application on May 28, 2013 [Docket No. 84].

(d) Logan & Company, Inc.

On May 8, 2013, the Debtor applied (the "Logan Administrative Appointment Application") for an order appointing Logan & Company, Inc. as administrative advisor under section 327(a) of the Bankruptcy Code [Docket No. 51]. The Bankruptcy Court entered an order approving the Logan Administrative Appointment Application on May 28, 2013 [Docket No. 83].

2. Retention of the Future Claimants' Representative's Professionals

(a) Young Conaway Stargatt & Taylor, LLP

On May 6, 2013, the Future Claimants' Representative applied (the "Young Conaway Retention Application") for an order authorizing the retention of Young Conaway Stargatt & Taylor, LLP as his counsel under section 1103(a) of the Bankruptcy Code [Docket No. 41]. The Bankruptcy Court entered an order approving the Young Conaway Retention Application on May 28, 2013 [Docket No. 87]. On October 2, 2014, Young Conaway Stargatt & Taylor, LLP filed the *Supplemental Declaration of Edwin J. Harron in Support of Application for Order Authorizing Proposed Future Claimants' Representative to Retain Young Conaway Stargatt & Taylor, LLP and Statement of Young Conaway Stargatt & Taylor, LLP as Counsel to Proposed Future Claimants' Representative Pursuant to Federal Rule of Bankruptcy Procedure 2014(a)* [Docket No. 605] in further support of the YCST Retention Application.

(b) Analysis, Research, and Planning Corporation

On May 6, 2013, the Future Claimants' Representative applied (the "ARPC Retention Application") for an order authorizing the retention of Analysis, Research, and Planning Corporation as his claims evaluation consultant under section 1103(a) of the Bankruptcy Code [Docket No. 42]. The Bankruptcy Court entered an order approving the ARPC Retention Application on May 28, 2013 [Docket No. 86].

3. Retention of the Asbestos Claimants Committee's Professionals

(a) Caplin & Drysdale, Chartered

On May 24, 2013, the Asbestos Claimants Committee applied (the "Caplin Retention Application") for an order authorizing the retention of Caplin & Drysdale, Chartered as its counsel under section 1103(a) of the Bankruptcy Code [Docket No. 77]. The Bankruptcy Court entered an order approving the Caplin Retention Application on June 20, 2013 [Docket No. 122].

(b) Campbell & Levine, LLC

On May 31, 2013, the Asbestos Claimants Committee applied (the "Campbell Retention Application") for an order authorizing the retention of Campbell & Levine, LLC as its co-counsel under section 1103(a) of the Bankruptcy Code [Docket No. 109]. The Bankruptcy Court entered an order approving the Campbell Retention Application on June 20, 2013 [Docket No. 123].

(c) Charter Oak Financial Consultants, LLC

On May 31, 2013, the Asbestos Claimants Committee applied (the "Charter Oak Retention Application") for an order authorizing the retention of Charter Oak Financial Consultants, LLC as its financial advisor under section 1103(a) of the Bankruptcy Code [Docket No. 110]. The Bankruptcy Court entered an order approving the Charter Oak Retention Application on June 20, 2013 [Docket No. 124].

(d) Legal Analysis Systems, Inc.

On December 12, 2014, the Asbestos Claimants Committee applied on a consent basis (the “Legal Analysis Retention Application”) for an order authorizing the retention of Legal Analysis Systems, Inc. as a consultant to the Asbestos Claimants Committee on the valuation of asbestos liabilities under section 1103(a) of the Bankruptcy Code [Docket No. 686]. The Bankruptcy Court entered an order approving the Legal Analysis Retention Application on January __, 2015 [Docket No. ____].

E. Adversary Proceeding⁵

On May 6, 2013, Yarway filed the Complaint of Debtor Yarway Corporation for Declaratory and Injunctive Relief [Adv. Docket No. 1] (the “Complaint”) in the Bankruptcy Court, thereby commencing the case styled *Yarway Corporation v. Those Parties Listed on Appendix A to Complaint and John and Jane Does 1-1000*, Case No. 13-51040 (BLS) (the “Adversary Proceeding”). On May 21, 2013, Yarway filed the First Amended Complaint of Debtor Yarway Corporation for Declaratory and Injunctive Relief [Adv. Docket No. 9] (the “First Amended Complaint”) in order to clarify the scope of the relief being sought in the Adversary Proceeding and to update the Complaint in response to certain events occurring subsequent to the filing thereof.

The First Amended Complaint, in summary, sought an order (i) declaring that during the Chapter 11 Case the automatic stay applied to the continuation or commencement by the Defendants of any claims or causes of action, including, without limitation, the Yarway Derivative Liability Claims, against non-Debtor Tyco, Tyco International Management Company, Tyco International (US) Inc. or any other past or present Non-Debtor Affiliate of Tyco that sought to hold any of such entities derivatively, jointly and severally, vicariously or otherwise liable based upon or arising from asbestos-containing products allegedly manufactured, sold, or distributed by Yarway; (ii) without limiting the foregoing, declaring that, during the pendency of the Chapter 11 Case, the Bankruptcy Court should hear and determine what constitutes property of the Debtor’s estate and whether, and the extent to which, any of the Yarway Derivative Liability Claims may have impacted, have been deemed to exercise control over, or constituted property of the Debtor’s estate in accordance with applicable bankruptcy law and procedure; and (iii) enjoining the Defendants from commencing or continuing the prosecution of any and all Yarway Derivative Liability Claims against any of the Non-Debtor Affiliates, pending confirmation of a plan of reorganization.

On May 30, 2013, the Debtor, the Asbestos Claimants Committee and the Future Claimants’ Representative entered into a stipulation [Adv. Docket No. 13] (the “Extension Stipulation”) which extended the time for the Defendants in the Adversary Proceeding to respond to the First Amended Complaint to July 31, 2013. On May 31, 2013, the Bankruptcy

⁵ Capitalized terms used in this subsection V.E. but not defined in this Disclosure Statement shall have the meanings ascribed to them in the First Amended Complaint (as defined herein).

Court entered an order approving the Extension Stipulation [Adv. Docket No. 14].⁶ The Debtor, the Asbestos Claimants Committee and the Future Claimants' Representative have entered into ten additional stipulations [Adv. Docket Nos. 17, 20, 24, 28, 32, 35, 38, 42, 45 and 48], and the Bankruptcy Court has entered ten additional orders [Adv. Docket Nos. 18, 21, 25, 29, 33, 36, 39, 43, 46 and 50], further extending the time for the Defendants in the Adversary Proceeding to respond to the First Amended Complaint and rescheduling the pretrial conference.

The Plan provides that, on or as soon as is reasonably practicable after the Effective Date, the Adversary Proceeding shall be dismissed.

F. Other Significant Events and Pleadings in the Chapter 11 Case

1. Schedules and SOFAs

On May 8, 2013, the Debtor filed a motion (the "Schedules Extension Motion") seeking a thirty-day extension of the deadline for filing its schedules of assets and liabilities and statements of financial affairs ("Schedules") [Docket No. 53]. The Bankruptcy Court entered an order granting the relief requested in the Schedules Extension Motion on May 28, 2013 [Docket No. 81]. The Debtor filed its Schedules on June 21, 2013 [Docket Nos. 128-129].

2. Rule 2015.3 Reports

On May 22, 2013, the Debtor filed a periodic report, required under Bankruptcy Rule 2015.3, on the value, operations and profitability of STI Properties, the only Non-Debtor Affiliate in which the Debtor holds a substantial or controlling interest [Docket No. 62]. The Debtor filed additional periodic reports under Bankruptcy Rule 2015.3 for STI Properties on November 22, 2013 [Docket No. 300], on May 23, 2014 [Docket No. 480] and on November 25, 2014 [Docket No. 665].

3. Future Claimants' Representative's Informational Brief

On May 24, 2013, the Future Claimants' Representative filed an informational brief addressing (i) the history of section 524(g) of the Bankruptcy Code, (ii) the role of the Future Claimants' Representative, (iii) the process for appointing the Future Claimants' Representative, (iv) the powers of the Future Claimants' Representative and (v) the need for future claimants to have separate and independent representation [Docket No. 72].

4. Debtor's Informational Statement

On May 24, 2013, the Debtor filed its informational statement [Docket No. 76] (the "Debtor's Informational Statement") ahead of a status conference held before the Bankruptcy Court on May 29, 2013. The Debtor's Informational Statement supplemented the Coen Affidavit and discussed the structure of the Chapter 11 Case, provided an overview of the Debtor's assets

⁶ On June 10, 2013 and July 9, 2014, several of the Defendants in the Adversary Proceeding filed an Answer to the First Amended Complaint [Adv. Docket Nos. 16 and 41] notwithstanding the extensions of time for responding to the First Amended Complaint.

and liabilities, provided an overview of the ongoing plan negotiations and proposed plan structure and discussed the Adversary Proceeding.

5. Removal Motion

On July 19, 2013, the Debtor filed a motion [Docket No. 141] (the “Removal Motion”) seeking a one-hundred-twenty-day extension, through and including November 18, 2013, of the time within which the Debtor may file notices to remove to the district court claims and causes of action pending as of the Petition Date pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027 (such period, the “Removal Period”). The Bankruptcy Court entered an order granting the relief requested in the Removal Motion on August 16, 2013 [Docket No. 189]. Since such time, the Debtor has filed four additional motions to extend the Removal Period [Docket Nos. 261, 409, 521 and 690], and the Bankruptcy Court has entered orders approving such requests each time [Docket Nos. 275, 435, 547 and ____]. The pending motion seeking to extend the Removal Period seeks to extend such period through and including the Effective Date of the Plan.

6. Exclusivity Extensions

On July 26, 2013, the Debtor filed a motion [Docket No. 153] (the “Exclusivity Motion”) seeking to extend, by approximately one hundred twenty days, the Debtor’s exclusive periods pursuant to section 1121 of the Bankruptcy Code for filing a chapter 11 plan of reorganization (the “Exclusive Filing Period”) and for soliciting acceptances of such plan (the “Exclusive Solicitation Period” and together with the Exclusive Filing Period, the “Exclusive Periods”), through and including December 18, 2013 and February 17, 2014, respectively. The Bankruptcy Court entered an order granting the relief requested in the Exclusivity Motion on November 14, 2013 [Docket No. 276]. Since such time, the Debtor filed three additional motions to extend the Exclusive Periods [Docket Nos. 260, 410 and 520], and the Bankruptcy Court entered orders approving such requests each time [Docket Nos. 276, 434 and 546]. The Exclusive Filing Period extended through and including October 22, 2014, and the Exclusive Solicitation Period expired on December 22, 2014.

7. Solicitation Procedures Motion

On December __, 2014, the Debtor filed a motion [Docket No. ____] (the “Solicitation Procedures Motion”) requesting the entry of an order (a) approving this Disclosure Statement; (b) fixing a record date for voting and procedures for filing objections to the Plan and the temporary allowance of claims; (c) approving the Solicitation Packages and procedures for the distribution of same; (d) approving the forms of Ballots and establishment of procedures for voting on the Plan; (e) scheduling a Confirmation Hearing and approving procedures for objecting to confirmation; and (f) granting certain related relief. On _____, 2015, the Bankruptcy Court entered an order (the “Solicitation Procedures Order”) approving the Solicitation Procedures Motion [Docket No. ____].

8. Bar Date Motion

On December 16, 2014, the Debtor filed a motion [Docket No. 695] (the “Bar Date Motion”) requesting the entry of an order (a) establishing March 18, 2015 (the “Bar Date”) as the deadline for filing secured, priority, and general unsecured claims against the Debtor other than

Asbestos Personal Injury Claims and certain other claims; and (b) approving the form and manner of notice of the Bar Date. On _____, 2015, the Bankruptcy Court entered an order approving the Bar Date Motion [Docket No. ___] (the "Bar Date Order"). Accordingly, holders of claims of any kind, except as otherwise provided in the Bar Date Order and expressly excluding Asbestos Personal Injury Claims, are required to file a proof of claim by the Bar Date.

VI. THE PLAN OF REORGANIZATION

THE FOLLOWING SECTIONS SUMMARIZE CERTAIN KEY INFORMATION CONTAINED IN THE PLAN. THIS SUMMARY REFERS TO, AND IS QUALIFIED IN ITS ENTIRETY BY, REFERENCE TO THE PLAN, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT 1. THE TERMS OF THE PLAN WILL GOVERN IN THE EVENT ANY INCONSISTENCY ARISES BETWEEN THIS SUMMARY AND THE PLAN. THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. THE TERMS OF THE PLAN DO NOT YET BIND ANY PERSON OR ENTITY. IF THE BANKRUPTCY COURT CONFIRMS THE PLAN, HOWEVER, THEN IT WILL BIND ALL CLAIM AND INTEREST HOLDERS.

A. Classification of Claims And Equity Interests Generally

Section 1122 of the Bankruptcy Code provides that a plan of reorganization must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1122 of the Bankruptcy Code, the Plan divides Claims and Equity Interests into Classes and sets forth the treatment for each Class (other than Administrative Expense Claims and Priority Tax Claims, which, pursuant to section 1123(a)(1), do not need to be classified). The Debtor also is required, under section 1122 of the Bankruptcy Code, to classify Claims against and Equity Interests in the Debtor into Classes that contain Claims and Equity Interests that are substantially similar to the other Claims and Equity Interests in such Class.

The Debtor believes that the Plan has classified all Claims and Equity Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law, but it is possible that a holder of a Claim or Equity Interest may challenge the Debtor's classification of Claims and Equity Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In that event, the Debtor intends, to the extent permitted by the Bankruptcy Code, the Plan, and the Bankruptcy Court, to make such reasonable modifications of the classifications under the Plan to permit confirmation and to use the Plan acceptances received for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting holder ultimately is deemed to be a member. Any such reclassification could adversely affect the Class in which such holder initially was a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

The amount of any Impaired Claim that ultimately is allowed by the Bankruptcy Court may vary from any estimated allowed amount of such Claim and, accordingly, the total Claims ultimately allowed by the Bankruptcy Court with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any

Impaired Class. Thus, the value of the property that ultimately will be received by a particular holder of an Allowed Claim under the Plan may be adversely (or favorably) affected by the aggregate amount of Claims ultimately allowed in the applicable Class.

The classification of Claims and Equity Interests and the nature of distributions to members of each Class are summarized below. The Plan Proponents believe that the consideration provided under the Plan to holders of Claims and Equity Interests reflects an appropriate resolution of their Claims and Equity Interests, taking into account the differing nature and priority of such Claims and Equity Interests and the fair value of the Debtor's assets. Although the Plan Proponents believe that the Plan can be confirmed under section 1129(b), there can be no assurance that the Bankruptcy Court will find that the requirements to do so have been satisfied.

B. Description and Treatment Of Unclassified Claims Under The Plan

(a) Administrative Expense Claims

(i) General

Subject to the Confirmation Order and Sections 2.2(b) – (e) of the Plan, unless otherwise agreed by Yarway and the holder of an Allowed Administrative Expense Claim, each holder of an Allowed Administrative Expense Claim shall receive Cash, to be paid from the Net Reserve Funds, equal to the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) the Effective Date or as soon as practicable thereafter, (b) the first Business Day after the day that is thirty (30) calendar days after the date the Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or (c) the date the Allowed Administrative Expense Claim becomes due and payable according to its terms. As of the Effective Date, with the exception of requests for payment of Professional Fee Claims, Reorganized Yarway, in its sole and absolute discretion, may settle Administrative Expense Claims in the ordinary course of business without further Bankruptcy Court approval. A claimant's receipt of the Allowed Amount of its Administrative Expense Claim shall be in full satisfaction, settlement, release, extinguishment, and discharge of such Claim, on the date such payment is received.

Yarway does not expect that it will have any Allowed Administrative Expense Claims payable under the Plan other than Professional Fee Claims, which are addressed in Section 2.2(d) of the Plan, and any pre-Effective Date expenses that constitute Asbestos Personal Injury Trust Expenses (which shall be transferred and channeled to the Asbestos Personal Injury Trust).

(ii) Bar Date for Administrative Expense Claims

Except as provided in Sections 2.2(c)-(e) of the Plan, requests for payment of Administrative Expense Claims must be filed with the Bankruptcy Court and served on counsel for Reorganized Yarway no later than the Administrative Expense Claims Bar Date (described below). Holders of Administrative Expense Claims (including, without limitation, Professionals asserting Professional Fee Claims and the holders of any Claims for federal, state or local taxes) that are required to file a request for payment of such Claims and that do not file such requests by the Administrative Expense Claims Bar Date (or, in the case of tax claims, such later date as may be applicable pursuant to Section 2.2(e) of the Plan) shall be forever barred from asserting

such Claims against Yarway, Reorganized Yarway, any of their Affiliates, or any of their respective property.

The notice of the Effective Date to be delivered pursuant to Bankruptcy Rules 2002 and 3020(c) shall set forth the Administrative Expense Claims Bar Date and constitute notice thereof. Reorganized Yarway, the Asbestos Personal Injury Trust, and any other party in interest will have forty-five (45) days after the Administrative Expense Claims Bar Date to review and object to such Claims, provided that such forty-five (45) day period of review may be extended by the Bankruptcy Court upon the request of Reorganized Yarway or the Asbestos Personal Injury Trust. Unless a party in interest timely objects to an Administrative Expense Claim, such Claim (other than a Professional Fee Claim) shall be deemed Allowed in the amount requested. In the event that a party in interest timely objects to an Administrative Expense Claim, the parties may confer to try to reach a settlement and, failing that, the Bankruptcy Court shall determine whether such Administrative Expense Claim should be Allowed and, if so, in what amount.

(iii) Asbestos Personal Injury Trust Expenses

As of the Effective Date, liability for all Asbestos Personal Injury Trust Expenses, whether incurred before or after the Effective Date, shall automatically, and without further act, deed or court order, be assumed by the Asbestos Personal Injury Trust and resolved in accordance with the terms, provisions and procedures of the Asbestos Personal Injury Trust Agreement.

(iv) Professionals

All Professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and/or section 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any Professional or any other entity for making a substantial contribution in the Chapter 11 Case) shall file and serve on (a) counsel to Reorganized Yarway, (b) counsel to Tyco, and (c) the United States Trustee, an application for final allowance of compensation and reimbursement of expenses no later than the Administrative Expense Claims Bar Date. Objections to Professional Fee Claims must be filed and served on (a) counsel to Reorganized Yarway, (b) counsel to Tyco, (c) the United States Trustee and (d) the Professional(s) to whose application the objections are addressed, no later than forty-five (45) days after the Administrative Expense Claims Bar Date. Upon approval by the Bankruptcy Court of compensation and expenses set forth in any application therefor submitted by a Professional, Reorganized Yarway shall pay such compensation and expenses from the Net Reserve Funds.

(v) Administrative Tax Claims

All requests for payment of Administrative Expense Claims by a governmental unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date (“Post-Petition Tax Claims”) and for which no bar date has otherwise been previously established, must be filed on or before the later of (i) the Administrative Expense Claims Bar Date; or (ii) ninety (90) days following the filing with the

applicable governmental unit of the tax return for such taxes for such tax year or period. Any holder of any Post-Petition Tax Claim that is required to file a request for payment of such taxes and does not file such a Claim by the applicable bar date shall be forever barred from asserting any such Post-Petition Tax Claim against Yarway, Reorganized Yarway, or their property, regardless of whether any such Post-Petition Tax Claim is deemed to arise prior to, on, or subsequent to the Effective Date.

(b) Priority Tax Claims

Except to the extent that the holder of an Allowed Priority Tax Claim has been paid by Yarway prior to the Effective Date on account of such Priority Tax Claim or agrees to a different treatment with respect thereto, each holder of an Allowed Priority Tax Claim shall, in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, receive in full satisfaction, settlement, and discharge of, and in exchange for such Allowed Priority Tax Claim Cash from the Net Reserve Funds in an amount equal to the unpaid portion of such Allowed Priority Tax Claim, on the latest of: (a) the Effective Date; (b) the date such Priority Tax Claim becomes an Allowed Claim, or as soon thereafter as is practicable; and (c) the date such Allowed Priority Tax Claim becomes due and payable under applicable non-bankruptcy law.

Yarway does not expect that there will be any Allowed Priority Tax Claims payable under the Plan.

C. Treatment Of Classified Claims And Equity Interests

(a) Priority Claims (Class 1)

A Priority Claim is any Claim entitled to priority pursuant to section 507 of the Bankruptcy Code other than an Administrative Expense Claim or a Priority Tax Claim.

Except to the extent a holder of an Allowed Priority Claim has been paid prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Claim shall receive, in full satisfaction, settlement and discharge of and in exchange for such Priority Claim, Cash to be paid from the Net Reserve Funds in an amount equal to the unpaid portion of such Allowed Priority Claim on the later of: (a) the Effective Date; and (b) the date the Priority Claim becomes an Allowed Priority Claim, or as soon thereafter as practicable. All Allowed Priority Claims not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.

Yarway does not expect that there will be any Allowed Priority Claims payable under the Plan.

Class 1 is Unimpaired under the Plan. Each holder of a Priority Claim is deemed to have accepted the Plan and is therefore not entitled to vote to accept or reject the Plan.

(b) Secured Claims (Class 2)

A Secured Claim is a Claim, other than an Intercompany Claim, that is: (a) secured by a valid, duly perfected, non-avoidable Lien, mortgage, security interest, or other Encumbrance on

or in an interest of Yarway in property, to the extent of the value, as of the Effective Date or such other date as is established by the Bankruptcy Court, of the holder's interest in Yarway's interest in such property, as determined by a Final Order of the Bankruptcy Court pursuant to section 506(a) of the Bankruptcy Code or as otherwise agreed in writing by Yarway and the holder of the applicable Claim; or (b) secured by the amount of any valid, non-avoidable rights of setoff of the holder thereof under section 553 of the Bankruptcy Code.

Except to the extent a holder of a Secured Claim agrees to different treatment of that Secured Claim, each holder of an Allowed Secured Claim shall have such Secured Claim reinstated pursuant to section 1124(2) of the Bankruptcy Code such that the Secured Claim is rendered Unimpaired and, as a result, such treatment leaves unaltered the legal, equitable, and contractual rights to which such Allowed Secured Claim entitles the holder of such Claim. The reinstatement of any Allowed Secured Claim pursuant to the Plan shall entitle the holder of such Allowed Secured Claim to postpetition interest on account of such Allowed Secured Claim at the rate provided by any applicable contract, if such contract so specifies, or the Federal Judgment Rate in effect on the Effective Date if not otherwise specified in an applicable contract; provided that no holder of an Allowed Secured Claim shall receive aggregate Distributions on account of such Secured Claim that exceed the value of Yarway's interest in the property that secures such Secured Claim. The failure of Yarway or any other party in interest to file an objection, prior to the Effective Date, with respect to any Secured Claim that is reinstated under the Plan shall be without prejudice to the rights of Reorganized Yarway or any other party in interest to contest or otherwise defend against such Secured Claim in an appropriate forum when and if such Secured Claim is sought to be enforced. Any amount that Yarway may be required to pay pursuant to section 1124(2) of the Bankruptcy Code on account of any such reinstated Allowed Secured Claim shall be paid in full, in Cash from the Net Reserve Funds, on, or as soon as practicable after, the latest of: (a) the Effective Date, (b) the date on which such Secured Claim becomes an Allowed Secured Claim, (c) the date such Secured Claim becomes due and payable according to its terms, or (d) such other date as mutually may be agreed to by and between the holder of such Secured Claim and Yarway or Reorganized Yarway.

Yarway does not expect that there will be any Allowed Secured Claims in its Chapter 11 Case.

Class 2 is Unimpaired under the Plan. Each holder of a Secured Claim is deemed to have accepted the Plan and is therefore not entitled to vote to accept or reject the Plan.

(c) General Unsecured Claims (Class 3)

A General Unsecured Claim means a Claim against Yarway that is not secured by a valid and enforceable Lien against property of Yarway and that is not an Administrative Expense Claim, a Priority Claim, a Priority Tax Claim, an Intercompany Claim or an Asbestos Personal Injury Claim.

Except to the extent a holder of an Allowed General Unsecured Claim agrees to different treatment of that General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall be paid in full, in Cash from the Net Reserve Funds, on, or as soon as practicable after, the latest of: (a) the Effective Date, (b) the date on which such General Unsecured Claim becomes

an Allowed General Unsecured Claim, (c) the date such General Unsecured Claim becomes due and payable according to its terms, or (d) such other date as mutually may be agreed to by and between the holder of such General Unsecured Claim and Yarway or Reorganized Yarway.

Yarway expects that approximately \$100,000 in General Unsecured Claims will become Allowed General Unsecured Claims under the Plan. All of such General Unsecured Claims are based upon invoices of Yarway's prepetition asbestos defense counsel for fees and expenses that were unpaid as of the Petition Date.

Class 3 is Unimpaired under the Plan. Each holder of a General Unsecured Claim is deemed to have accepted the Plan and is therefore not entitled to vote to accept or reject the Plan.

(d) Asbestos Personal Injury Claims (Class 4)

An Asbestos Personal Injury Claim means each of (a) a General Asbestos Personal Injury Claim, and (b) an Indirect Asbestos Personal Injury Claim.

As of the Effective Date, liability for all Asbestos Personal Injury Claims shall automatically, and without further act, deed or court order, be channeled exclusively to and assumed by the Asbestos Personal Injury Trust in accordance with, and to the extent set forth in, Articles VIII and X of the Plan, the applicable Plan Documents and the Confirmation Order. Each Asbestos Personal Injury Claim shall be resolved in accordance with the terms, provisions and procedures of the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures. The Asbestos Personal Injury Trust shall be funded in accordance with the provisions of section 8.3 of the Plan. The sole recourse of the holder of an Asbestos Personal Injury Claim on account of such Asbestos Personal Injury Claim shall be to the Asbestos Personal Injury Trust, and each such holder shall have no right whatsoever at any time to assert its Asbestos Personal Injury Claim against any Protected Party.

Class 4 is Impaired under the Plan. Each holder of an Asbestos Personal Injury Claim is entitled to vote to accept or reject the Plan.

(e) Intercompany Claims (Class 5)

An Intercompany Claim means any Claim held by an Affiliate of Yarway against Yarway.

As part of the Tyco Contribution, each holder of an Allowed Intercompany Claim shall receive, in full satisfaction, settlement and discharge of and in exchange for such Intercompany Claim, Cash in the amount of \$10.

The Debtor expects that greater than \$247 million in Intercompany Claims will be satisfied in exchange for the \$10 Cash payment provided for in the Plan as an integral part of the Settlement embodied in the Plan.

Class 5 is Impaired under the Plan. Each holder of an Intercompany Claim is entitled to vote to accept or reject the Plan, and as part of the Settlement each holder of an Intercompany Claim has agreed to accept the Plan.

(f) Equity Interests (Class 6)

An Equity Interest means all of the outstanding stock of Yarway, 100% of which is held by Tyco Fire & Security.

On the Effective Date, the Equity Interests in Yarway shall be cancelled, annulled and extinguished.

Class 6 is Impaired under the Plan. Each holder of an Equity Interest is deemed to have rejected the Plan and is therefore not entitled to vote to accept or reject the Plan.

Notwithstanding that holders of Equity Interests are deemed to reject the Plan as a matter of bankruptcy law, Tyco Fire & Security, as a Non-Debtor Affiliate and holder of the Equity Interests, supports confirmation of the Plan and urges parties entitled to vote on the Plan to vote to accept the Plan.

VII. DESCRIPTION OF THE ASBESTOS PERSONAL INJURY TRUST, CONTRIBUTIONS BY YARWAY AND TYCO, AND THE ASBESTOS PERSONAL INJURY TRUST DISTRIBUTION PROCEDURES

THE FOLLOWING IS A SUMMARY OF CERTAIN SIGNIFICANT FEATURES OF THE ASBESTOS PERSONAL INJURY TRUST. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE COMPLETE TEXT OF THE ASBESTOS PERSONAL INJURY TRUST DOCUMENTS AND THE PLAN.

A. The Asbestos Personal Injury Trust

1. Creation of the Asbestos Personal Injury Trust

On the Effective Date, the Asbestos Personal Injury Trust shall be created in accordance with the Plan Documents, the Asbestos Personal Injury Trust Documents, and section 524(g) of the Bankruptcy Code. The purpose of the Asbestos Personal Injury Trust shall be to assume all liabilities and responsibility for all Asbestos Personal Injury Claims, and, among other things, to: (a) direct the processing, liquidation, and payment of all compensable Asbestos Personal Injury Claims in accordance with the Plan, the Asbestos Personal Injury Trust Agreement, the Asbestos Personal Injury Trust Distribution Procedures and the Confirmation Order; (b) preserve, hold, manage, and maximize the assets of the Asbestos Personal Injury Trust for use in paying and satisfying Asbestos Personal Injury Claims; and (c) qualify at all times as a qualified settlement fund. The Asbestos Personal Injury Trust shall use the Asbestos Personal Injury Trust's assets and income to resolve Asbestos Personal Injury Claims in accordance with the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures in such a way that holders of Asbestos Personal Injury Claims are treated fairly, equitably, and reasonably in light of the finite assets available to satisfy such claims, and shall otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B) of the Bankruptcy Code. On the Effective Date, all right, title, and interest in and to the Asbestos Personal Injury Trust Assets, and any proceeds thereof, will be transferred to, and vested in, the Asbestos Personal Injury Trust, free and clear of all Claims, Demands, Equity Interests, Encumbrances,

and other interests of any Entity, without any further action of the Bankruptcy Court or any Entity, but subject to the provisions of Section 8.3 of the Plan.

2. Appointment of Asbestos Personal Injury Trustee(s)

Not later than ten (10) days prior to the Confirmation Hearing, the Asbestos Claimants Committee and the Future Claimants' Representative shall nominate the individual(s) who will serve as the initial Asbestos Personal Injury Trustee(s). On the Effective Date, such individual(s) shall be appointed as the Asbestos Personal Injury Trustee(s) pursuant to the Plan, the Confirmation Order, and the Asbestos Personal Injury Trust Agreement. All subsequent Asbestos Personal Injury Trustees shall be appointed in accordance with the terms of the Asbestos Personal Injury Trust Agreement. For purposes of performing the duties and fulfilling the obligations under the Asbestos Personal Injury Trust Agreement and the Plan, the Asbestos Personal Injury Trustee(s) shall be deemed to be a party or parties in interest within the meaning of section 1109(b) of the Bankruptcy Code.

3. Advising the Asbestos Personal Injury Trust

(a) Appointment of Post-Effective Date Future Claimants' Representative

On the Effective Date, James L. Patton, Jr. shall be appointed, pursuant to the Plan, the Confirmation Order, and the Asbestos Personal Injury Trust Agreement, as the Post-Effective Date Future Claimants' Representative. The Post-Effective Date Future Claimants' Representative shall have the functions, duties and rights provided in, and shall serve in accordance with, the Asbestos Personal Injury Trust Agreement. In addition to the foregoing, the Post-Effective Date Future Claimants' Representative also may, at his option, participate in any: (a) appeal of the Confirmation Order; (b) hearing on a Professional Fee Claim; and (c) adversary proceeding pending on the Effective Date to which the Future Claimants' Representative was a party. Successor Post-Effective Date Future Claimants' Representatives will be appointed as provided in the Asbestos Personal Injury Trust Agreement.

(b) Appointment of Asbestos Personal Injury Trust Advisory Committee Members

Not later than ten (10) days prior to the Confirmation Hearing, the Asbestos Claimants Committee shall nominate five (5) individuals to serve as the initial members of the Asbestos Personal Injury Trust Advisory Committee. The Confirmation Order shall constitute an order of the Bankruptcy Court appointing the initial members of the Asbestos Personal Injury Trust Advisory Committee. The Asbestos Personal Injury Trust Advisory Committee shall have the functions, duties and rights provided in, and shall serve in accordance with, the Asbestos Personal Injury Trust Agreement. Successor members of the Asbestos Personal Injury Trust Advisory Committee will be appointed as provided in the Asbestos Personal Injury Trust Agreement.

4. Transfers to the Asbestos Personal Injury Trust

(a) Transfer of Claims and Demands to the Asbestos Personal Injury Trust

In consideration for the property transferred to the Asbestos Personal Injury Trust, on the Effective Date, all liabilities, obligations, and responsibilities relating to all present and future Asbestos Personal Injury Claims, including, without limitation, Demands, shall be transferred and channeled to the Asbestos Personal Injury Trust and shall be satisfied solely by the assets held by the Asbestos Personal Injury Trust.⁷ The Asbestos Personal Injury Trust shall have no liability for any Claims and Demands other than Asbestos Personal Injury Claims and Asbestos Personal Injury Trust Expenses, and no Claims other than Asbestos Personal Injury Claims and Asbestos Personal Injury Trust Expenses shall be transferred and channeled to the Asbestos Personal Injury Trust.

(b) Transfer of Rights and Defenses Related to Asbestos Personal Injury Claims

With the exception of those claims released by Yarway pursuant to Section 10.5 of the Plan and/or in the Yarway Release, on the Effective Date all claims, defenses, rights, and Causes of Action of Yarway and Reorganized Yarway relating to Asbestos Personal Injury Claims shall be transferred and assigned to the Asbestos Personal Injury Trust. In accordance with section 1123(b) of the Bankruptcy Code, the Asbestos Personal Injury Trust shall retain and may enforce such claims, defenses, rights and Causes of Action and shall retain and may enforce all defenses and counterclaims to all Claims or Demands asserted against the Asbestos Personal Injury Trust, including, but not limited to, setoff, recoupment, and any rights under section 502(d) of the Bankruptcy Code; provided, however, that no such claims, defenses, Causes of Action, or counterclaims may be asserted against any Protected Party. The Asbestos Personal Injury Trust shall be deemed to be the appointed representative of Yarway and Reorganized Yarway, and may, pursue, litigate, compromise, and settle any rights, claims, or Causes of Action transferred to it, as appropriate.

5. Asbestos Personal Injury Claimant Release

In connection with the resolution of Asbestos Personal Injury Claims, the Asbestos Personal Injury Trust Distribution Procedures shall provide on the Effective Date, and shall not thereafter cease to provide, that all holders of Asbestos Personal Injury Claims shall execute an Asbestos Personal Injury Claimant Release as a precondition to receiving payment on account of their Asbestos Personal Injury Claims from the Asbestos Personal Injury Trust. The Asbestos Personal Injury Claimant Release shall be substantially in the form attached to the Plan as Exhibit I, and shall not be amended after the Effective Date without the consent of Tyco and Yarway.

⁷ The transfer of Asbestos Personal Injury Claims (including, without limitation, Demands) to the Asbestos Personal Injury Trust shall not affect or limit, or be deemed to affect or limit, the release of asbestos-related personal injury or wrongful death claims against Non-Debtor Affiliates based upon or arising from alleged exposure to the Yarway Product Lines by Yarway, Reorganized Yarway and any Entity seeking to exercise the rights of Yarway's Estate pursuant to Section 10.5 of the Plan and/or the Yarway Release.

6. Consideration for Asbestos Personal Injury Channeling Injunction

The release of the Intercompany Claims by the Non-Debtor Affiliates, and the assignment, transfer, and conveyance of the other Asbestos Personal Injury Trust Assets to the Asbestos Personal Injury Trust on the Effective Date supports the imposition of the Asbestos Personal Injury Channeling Injunction in favor of all of the Protected Parties as of the Effective Date.

7. Expiration of Obligations to Fund the Tyco Contribution and the Yarway Contribution

Notwithstanding any other provision of the Plan, the obligation of Tyco and Yarway to make the Tyco Contribution or Yarway Contribution, respectively, shall expire if (a) the Confirmation Date does not occur by April 30, 2015 or (b) the Effective Date does not occur by September 15, 2016, unless Tyco, Yarway, the Asbestos Claimants Committee, and the Future Claimants' Representative otherwise agree in writing.

8. Institution and Maintenance of Legal and Other Proceedings

From and after the Effective Date, the Asbestos Personal Injury Trust shall be empowered and entitled, in its sole and absolute discretion and at its own expense, to pursue, compromise or settle all legal actions and other proceedings related to any asset, liability, or responsibility of the Asbestos Personal Injury Trust that is not released pursuant to the Plan.

B. Description of the Consideration Contributed to the Asbestos Personal Injury Trust

Reorganized Yarway and Tyco will contribute to the Asbestos Personal Injury Trust the following assets on the Effective Date:

1. The Yarway Contribution

On the Effective Date, Yarway or Reorganized Yarway will contribute, or will have contributed on its behalf, to the Asbestos Personal Injury Trust (a) all Cash held by Yarway as of the Effective Date, less \$5 million, which \$5 million shall be held in a segregated account by Yarway and/or Reorganized Yarway, as applicable, as the Net Reserve Funds in accordance with Section 8.5 of the Plan, or (b) such other amount of Cash as may be set forth in the Implementation Steps Plan.

2. The Tyco Contribution

On the Effective Date, Tyco or one or more of its Affiliates will contribute the following to the Asbestos Personal Injury Trust, on behalf of Tyco and the other Non-Debtor Affiliates:

- a) the Tyco Cash, which shall mean the sum of (a) Cash in the amount of \$325 million less the Yarway Contribution, plus (b) interest on \$325 million in the amount of 3.5% per annum for the period, if any, commencing on September 1, 2015 and continuing through the earlier of (i) the date the Tyco Contribution and

the Yarway Contribution are made or (ii) the date the obligation of Tyco to make the Tyco Contribution expires in accordance with Section 8.3(i) of the Plan;

- b) the waiver, release, and discharge of any and all Intercompany Claims held by one or more Non-Debtor Affiliates against Yarway, and any associated rights of setoff that may otherwise be asserted against assets of Yarway or the Estate; and
- c) 100% of the Equity Interests in Reorganized Yarway.

C. Other Key Terms of the Asbestos Personal Injury Trust Agreement

1. Asbestos Personal Injury Trust Expenses

The Asbestos Personal Injury Trust shall pay all Asbestos Personal Injury Trust Expenses from the Asbestos Personal Injury Trust Assets, which include (a) the Asbestos Personal Injury Trust Contributions; (b) all other assets, rights, and benefits assigned, transferred or conveyed to the Asbestos Personal Injury Trust in connection with the Plan or any Plan Documents; and (c) all proceeds of the foregoing. Neither the Plan Proponents, the Debtor's Estate, Reorganized Yarway, nor any other Protected Parties shall have any obligation to pay any Asbestos Personal Injury Trust Expenses or any other liabilities of the Asbestos Personal Injury Trust. Additionally, the Asbestos Personal Injury Trust shall promptly pay all Asbestos Personal Injury Trust Expenses incurred by Reorganized Yarway for any and all liabilities, costs or expenses as a result of taking any action on behalf of, and at the direction of, the Asbestos Personal Injury Trust.

2. Investment Policy

Pursuant to the Asbestos Personal Injury Trust Agreement, all monies held in the Asbestos Personal Injury Trust shall be invested, subject to the investment limitations and provisions enumerated in the Asbestos Personal Injury Trust Agreement, and shall not be limited to the types of investments described in section 345 of the Bankruptcy Code.

3. Excess Asbestos Personal Injury Trust Assets

To the extent there are any Asbestos Personal Injury Trust Assets remaining at such time as the Asbestos Personal Injury Trust is dissolved, such excess Asbestos Personal Injury Trust Assets shall be transferred to a charity or charities for such charitable purposes as the Asbestos Personal Injury Trustee(s), in his, her, or their reasonable discretion, shall determine, provided that, if practicable, the charity or charities to which such excess Asbestos Personal Injury Trust Assets are transferred shall be related to the treatment of, research on, or the relief of suffering of individuals suffering from asbestos-related disorders.

4. Dissolution of the Asbestos Personal Injury Trust

The Asbestos Personal Injury Trust will automatically dissolve ninety (90) days after the first to occur of any of the following events:

- a) The Asbestos Personal Injury Trustee(s) decide to dissolve the Asbestos Personal Injury Trust because (a) it is, in his, her, or their judgment, unlikely that new Asbestos Personal Injury Claims will be filed against the Asbestos Personal Injury Trust, (b) all Asbestos Personal Injury Claims duly filed with the Asbestos Personal Injury Trust have been liquidated and paid or disallowed by a final, non-appealable order, and (c) twelve (12) consecutive months have elapsed during which no new Asbestos Personal Injury Claim has been filed with the Asbestos Personal Injury Trust; or
- b) If the Asbestos Personal Injury Trustee(s) has/have procured and put in place irrevocable insurance policies and established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Asbestos Personal Injury Trust in a manner consistent with the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures, the date on which any order of the Bankruptcy Court approving such insurance and other arrangements becomes a Final Order; or
- c) To the extent that any rule against perpetuities shall be deemed applicable to the Asbestos Personal Injury Trust, twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all of the descendants of Joseph P. Kennedy, Sr., of Massachusetts, father of the late President John F. Kennedy, living on the date of the Asbestos Personal Injury Trust Agreement.

Upon dissolution of the Asbestos Personal Injury Trust: (a) the Asbestos Personal Injury Trustee(s), members of the Asbestos Personal Injury Trust Advisory Committee and the Post-Effective Date Future Claimants' Representative shall be released and discharged from all further authority, duties, responsibilities, and obligations relating to and arising from and in connection with the Chapter 11 Case; and (b) the Asbestos Personal Injury Trust Advisory Committee shall be dissolved.

5. Asbestos Personal Injury Trust Indemnity Obligations

The Plan provides that, pursuant to the Asbestos Claims Indemnification Agreement, Reorganized Yarway and the Asbestos Personal Injury Trust shall indemnify and hold harmless each of the Non-Debtor Affiliates and the Representatives of Yarway, Reorganized Yarway, and the Non-Debtor Affiliates in respect of any liability, obligation, fee, judgment, settlement, or expense, including, without limitation, legal fees and expenses, arising from or incurred in connection with any action based upon, attributable to, or arising out of an Asbestos Personal Injury Claim or any violation of the Asbestos Personal Injury Channeling Injunction by any Entity, which shall be substantially in the form attached to the Plan as Exhibit H.

D. Asbestos Personal Injury Trust Distribution Procedures

1. Asbestos Personal Injury Trust Goals

The Asbestos Personal Injury Trustee(s) will implement and administer the Asbestos Personal Injury Trust pursuant to the Asbestos Personal Injury Trust Distribution Procedures,

which are attached to the Plan as Exhibit C. The goal of the Asbestos Personal Injury Trust is to provide fair, equitable, and substantially similar treatment for all claims channeled to the Asbestos Personal Injury Trust that may presently exist or may arise in the future. To that end, the Asbestos Personal Injury Trust Distribution Procedures set forth procedures for processing and paying Yarway’s several share of the unpaid portion of the liquidated value of channeled claims generally on an impartial, first-in-first-out (“FIFO”) basis, with the intention of paying all claimants over time as equivalent a share as possible of the value of their claims based on historical values for substantially similar claims in the tort system.

The Asbestos Personal Injury Trust Distribution Procedures establish a schedule of seven (7) different asbestos-related diseases (Disease Levels I-VII) (“Disease Levels”), all but one of which have presumptive medical and exposure requirements (“Medical/Exposure Criteria”) and specific liquidated values (“Scheduled Values”), and five (5) of which (Disease Levels III-VII) have anticipated average values (“Average Values”), and caps on their liquidated values (“Maximum Values”). The Disease Levels, Medical/Exposure Criteria, Scheduled Values, Average Values, and Maximum Values have all been selected and derived with the intention of achieving a fair allocation of the Asbestos Personal Injury Trust Assets as among claimants suffering from different disease processes in light of the best available information considering the settlement history of the Debtor and the rights claimants would have in the tort system absent the commencement of the Chapter 11 Case.

2. Disease Levels, Scheduled Values and Presumptive Medical/Exposure Criteria Set Forth in the Asbestos Personal Injury Trust Distribution Procedures

The seven (7) Disease Levels covered by the Asbestos Personal Injury Trust Distribution Procedures, together with the presumptive Medical/Exposure Criteria for each and Scheduled Values for the six (6) Disease Levels eligible for Expedited Review (as defined below), are set forth below. These Disease Levels, Scheduled Values, and Medical/Exposure Criteria will apply to all Trust Voting Claims (as defined in the Asbestos Personal Injury Trust Distribution Procedures) filed with the Asbestos Personal Injury Trust (except Pre-Petition Liquidated Asbestos Personal Injury Claims (as defined below)) on or before the Initial Claims Filing Date (as defined below). Thereafter, with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants’ Representative, the Asbestos Personal Injury Trustee(s) may (i) add to, change, or eliminate Disease Levels, Scheduled Values, or Medical/Exposure Criteria, (ii) develop subcategories of Disease Levels, Scheduled Values, or Medical/Exposure Criteria, or (iii) determine that a novel or exceptional Asbestos Personal Injury Claim is compensable even though it does not meet the Medical/Exposure Criteria for any of the then-current Disease Levels.

<u>Disease Level</u>	<u>Scheduled Value</u>	<u>Presumptive Medical/Exposure Criteria</u>
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Mesothelioma (Level VII)	\$55,000	(1) Diagnosis ⁸ of mesothelioma; and (2) Yarway Exposure (as defined in the Asbestos Personal Injury Trust Distribution Procedures).
Lung Cancer 1 (Level VI)	\$17,500	(1) Diagnosis of a primary lung cancer plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease, ⁹ (2) six months Yarway Exposure prior to December 31, 1982, (3) Significant Occupational Exposure to asbestos (as defined in the Asbestos Personal Injury Trust Distribution Procedures), and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question.
Lung Cancer 2 (Level V)	None	(1) Diagnosis of a primary lung cancer; (2) Yarway Exposure prior to December 31, 1982, and (3) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question. Lung Cancer 2 (Level V) claims are claims that do not meet the more stringent medical and/or exposure requirements of Lung Cancer 1 (Level VI) claims. All claims in this Disease Level shall be individually evaluated. The estimated likely Average Value of the individual evaluation awards for this category is \$5,000, with such awards capped at \$15,000, unless the claim qualifies for Extraordinary Claim treatment discussed in

⁸ The requirements for a diagnosis of an asbestos-related disease that may be compensated under the provisions of the Asbestos Personal Injury Trust Distribution Procedures are set forth below.

⁹ Evidence of “Bilateral Asbestos-Related Nonmalignant Disease” for purposes of meeting the criteria for establishing Disease Levels I, II, IV, and VI, means either (i) a chest X-ray read by a qualified B reader of 1/0 or higher on the ILO scale or, (ii) (x) a chest X-ray read by a qualified B reader, (y) a CT scan read by a Qualified Physician, or (z) pathology, in each case showing bilateral interstitial fibrosis, bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification. Evidence submitted to demonstrate (i) or (ii) above must be in the form of a written report stating the results (*e.g.*, an ILO report, a written radiology report, or a pathology report). Solely for claims filed in the tort system prior to the Petition Date, if an ILO reading is not available, either (i) a chest X-ray or a CT scan read by a Qualified Physician or, (ii) pathology, in each case showing bilateral interstitial fibrosis, bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification consistent with, or compatible with, a diagnosis of asbestos-related disease shall be evidence of Bilateral Asbestos-Related Nonmalignant Disease for purposes of meeting the presumptive medical requirements of Disease Levels I, II, IV and VI. Pathological proof of asbestosis may be based on the pathological grading system for asbestosis described in the Special Issue of the Archives of Pathology and Laboratory Medicine, “Asbestos-associated Diseases,” Vol. 106, No. 11, App. 3 (October 8, 1982). A “Qualified Physician” is a physician who is board-certified (or in the case of claims filed by individuals exposed in Canada who were resident in Canada when such claims were filed, a physician who is certified or qualified under comparable medical standards or criteria of Canada) in one or more relevant specialized fields of medicine such as pulmonology, radiology, internal medicine or occupational medicine; provided, however, subject to the provisions of Section 5.8 of the Asbestos Personal Injury Trust Distribution Procedures, that the requirement for board certification in this provision shall not apply to otherwise qualified physicians whose X-ray and/or CT scan readings are submitted for deceased holders of Asbestos Personal Injury Claims.

		<p>Section 13 below.</p> <p>Level V claims that show no evidence of either an underlying Bilateral Asbestos-Related Non-malignant Disease or Significant Occupational Exposure may be individually evaluated, although it is not expected that such claims will be treated as having any significant value, especially if the claimant is also a smoker. In any event, no presumption of validity will be available for any claims in this category.</p>
Other Cancer (Level IV)	\$5,000	(1) Diagnosis of a primary colo-rectal, laryngeal, esophageal, pharyngeal, or stomach cancer, plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease, (2) six months Yarway Exposure prior to December 31, 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the other cancer in question.
Severe Asbestosis (Level III)	\$10,000	(1) Diagnosis of asbestosis with ILO ¹⁰ of 2/1 or greater, or asbestosis determined by pathological evidence of asbestos, plus (a) total lung capacity less than 65%, or (b) forced vitality capacity ("FVC") less than 65% and forced expiratory volume in one second ("FEV1")/FVC ratio greater than 65%, (2) six months Yarway Exposure prior to December 31, 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary disease in question.
Asbestosis/ Pleural Disease (Level II)	\$2,000	(1) Diagnosis of Bilateral Asbestos-Related Nonmalignant Disease, plus (a) total lung capacity less than 80%, or (b) FVC less than 80% and FEV1/FVC ratio greater than or equal to 65%, (2) six months Yarway Exposure prior to December 31, 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary disease in question.
Asbestosis/ Pleural Disease (Level I)	\$500	(1) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease, (2) six months Yarway Exposure prior to December 31, 1982, and (3) five years cumulative occupational exposure to

¹⁰ "ILO" grade is the radiology rating for the presence of pleural paenchymal lung changes by chest x-rays as established from time to time by the International Labor Organization and as set forth in "Guidelines for the Use of ILO International Classificatino of Radiographs of Pneumoconioses (2000).

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3. Claims Liquidation Procedures

When a claim is filed with the Asbestos Personal Injury Trust, it will be placed in a FIFO Processing Queue (as defined in the Asbestos Personal Injury Trust Distribution Procedures) to be established pursuant to the Asbestos Personal Injury Trust Distribution Procedures. Asbestos Personal Injury Claims involving Disease Levels I-IV, VI and VII that do not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level may undergo the Individual Review process described below. In such a case, notwithstanding that the claim does not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level, the Asbestos Personal Injury Trust can offer the claimant an amount up to the Scheduled Value for that Disease Level if the Trust is satisfied that the claimant has presented a claim that would be cognizable and valid in the relevant tort system.

Claimants holding Asbestos Personal Injury Claims involving Disease Levels III through VII may also seek to establish a liquidated value for their claims that is greater than the Scheduled Value for such claims by electing the Individual Review process. However, the liquidated value of an Asbestos Personal Injury Claim that undergoes the Asbestos Personal Injury Trust's Individual Review process for valuation purposes may be determined by the Asbestos Personal Injury Trust to be less than such claim's Scheduled Value, and in any event may not exceed the Maximum Value for the relevant Disease Level, unless the claim qualifies as an Extraordinary Claim (as defined below), in which case its liquidated value cannot exceed the extraordinary maximum value specified in that provision for such claims. Disease Level V (Lung Cancer 2) claims, secondary exposure claims and Foreign Claims (as defined below) may be liquidated only pursuant to the Individual Review process.

All unresolved disputes over a claimant's medical condition, exposure history, and/or the liquidated value of the claim shall be subject to pro bono evaluation and mediation and then to binding or non-binding arbitration, at the election of the claimant, under the Alternative Dispute Resolution Procedures ("ADR Procedures") provided for in the Asbestos Personal Injury Trust Distribution Procedures. Asbestos Personal Injury Claims that are the subject of a dispute with the Asbestos Personal Injury Trust that cannot be resolved by non-binding arbitration may enter the tort system as provided in the Asbestos Personal Injury Trust Distribution Procedures. However, if and when a claimant obtains a judgment in the tort system, the judgment will be payable subject to the Payment Percentage, Maximum Available Payment, and Claims Payment Ratio provisions set forth below.

4. Payment Percentage

After the liquidated value of an Asbestos Personal Injury Claim is determined by the Asbestos Personal Injury Trust, the claimant will ultimately receive a pro rata share of that value based on a payment percentage (the "Payment Percentage").

The Initial Payment Percentage has been set at ___% and was developed by comparing the assets of the Asbestos Personal Injury Trust against its projected liability for channeled

claims and its anticipated expenses. The Initial Payment Percentage has been calculated on the assumption that the Average Values will be achieved with respect to existing present claims and projected future claims involving Disease Levels III-VII.

The Payment Percentage for the Asbestos Personal Injury Trust may be adjusted upwards or downwards from time to time by the Asbestos Personal Injury Trust, with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative, to ensure that the Asbestos Personal Injury Trust will be in a financial position to pay holders of unliquidated and/or unpaid claims, as well as present and future claims against any of the Asbestos Personal Injury Trust Assets, in substantially the same manner. In making any adjustment, the Asbestos Personal Injury Trust will take into account then-current estimates of the Asbestos Personal Injury Trust's assets and liabilities, as well as the then-estimated value of then-pending and future claims. Because there is uncertainty in predicting both the number and severity of future claims, and the amount of the Asbestos Personal Injury Trust's assets, no guarantee can be made of any Payment Percentage for any Asbestos Personal Injury Claims. However, in the event of an upward adjustment in the Payment Percentage, supplemental payments may be made to claimants who received payments in prior periods based on a lower Payment Percentage.

5. Maximum Annual Payment and Maximum Available Payment

The Asbestos Personal Injury Trust shall model the cash flow, principal, and income year-by-year to be paid over its entire life to ensure that all present and future holders of Asbestos Personal Injury Claims are compensated at the Payment Percentage. In each year, based upon the model of cash flow, the Asbestos Personal Injury Trust will be empowered to pay out the portion of its funds payable that year according to the model (the "Maximum Annual Payment"). The Asbestos Personal Injury Trust's aggregate distributions to all claimants for that year shall not exceed the Maximum Annual Payment.

In distributing the Maximum Annual Payment, the Asbestos Personal Injury Trust will first allocate the amount in question to (a) outstanding Pre-Petition Liquidated Asbestos Personal Injury Claims, (b) any Asbestos Personal Injury Claims (i) based on a diagnosis dated prior to the Effective Date and (ii) subsequently filed with the Asbestos Personal Injury Trust within one year following the date the Asbestos Personal Injury Trust first accepts for processing the proof of claim forms and other materials required to file a claim with the Asbestos Personal Injury Trust ("Existing Claims"), and (c) Exigent Hardship Claims (as defined below). The remaining portion of the Maximum Annual Payment (the "Maximum Available Payment"), if any, will then be allocated and used to satisfy all other liquidated Asbestos Personal Injury Claims, subject to the Claims Payment Ratio (discussed below).

6. Claims Payment Ratios

Based upon Yarway's settlement history and analysis of present and future claims, a Claims Payment Ratio has been determined, which, as of the Effective Date, has been set at 90% for Asbestos Personal Injury Claims involving severe asbestosis and malignancies (Disease Levels III-VII) ("Category A") and at 10% for Asbestos Personal Injury Claims involving non-malignant asbestosis or pleural disease (Disease Levels I and II) ("Category B"). In each year,

after the determination of the Maximum Available Payment, 90% of that amount shall be available to pay Category A claims and 10% shall be available to pay Category B claims that have been liquidated since the Petition Date, except for claims which, as described above, are not subject to the Claims Payment Ratio.

If at the end of any calendar year, there are excess funds available in either Category A or Category B and insufficient funds in the other Category to pay such Category's claims, then the Asbestos Personal Injury Trustee(s) may transfer up to a specified amount of excess funds (the "Permitted Transfer Amount" as defined below) to the Category with the shortfall; provided, however that the Asbestos Personal Injury Trustee(s) shall never transfer more than the amount of the receiving Category's shortfall. The "Permitted Transfer Amount" shall be determined as follows: (a) the Asbestos Personal Injury Trustee(s) shall first determine the cumulative amount allocated to the Category with excess funds based on the Claims Payment Ratio since the date the Asbestos Personal Injury Trust last calculated its Payment Percentage; (b) the Asbestos Personal Injury Trustee(s) shall then determine the cumulative amount that the Asbestos Personal Injury Trust estimated would be paid to the Category with excess funds since the date the Asbestos Personal Injury Trust last calculated its Payment Percentage; (c) the Asbestos Personal Injury Trustee(s) shall then subtract the amount determined in (b) from the amount determined in (a), and the difference between the two shall be referred to as the "Permitted Transfer Amount." The Asbestos Personal Injury Trustee(s) shall provide the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative with the Permitted Transfer Amount calculation thirty (30) days prior to making a transfer. If, at the end of any calendar year, there are excess funds in either or both Categories because there is an insufficient amount of liquidated claims to exhaust the respective Maximum Available Payment amount for that Category, or, in a year where there was a transfer from one Category to the other, if the amount transferred was less than the amount of excess funds, then the excess funds for the Category or Categories with excess funds shall be rolled over and remain dedicated to the respective Category to which they were originally allocated.

The initial 90%/10% Claims Payment Ratio may be amended at any time with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative. The Asbestos Personal Injury Trustee(s), with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative, may offer the option of a reduced Payment Percentage to holders of claims in either Category in return for prompter payment.

7. Indemnity and Contribution Claims

Asbestos Personal Injury Claims asserted against the Asbestos Personal Injury Trust for indemnity and contribution ("Indirect Asbestos Personal Injury Claims") will be treated as presumptively valid and will be paid by the Asbestos Personal Injury Trust, subject to the applicable Payment Percentage, if the holder of any such claim (the "Indirect Claimant") establishes to the satisfaction of the Asbestos Personal Injury Trustee(s) that (i) the Indirect Claimant has paid in full the liability and obligation of the Asbestos Personal Injury Trust to the individual claimant to whom the Asbestos Personal Injury Trust would otherwise have had a liability or obligation under the Asbestos Personal Injury Trust Distribution Procedures (the "Direct Claimant"), (ii) the Direct Claimant and the Indirect Claimant have forever and fully

released the Asbestos Personal Injury Trust from all liability to the Direct Claimant with respect to the Asbestos Personal Injury Claim satisfied by the Indirect Claimant, and (iii) the claim is not otherwise barred by a statute of limitations or repose or by other applicable law.

If these requirements cannot be met, the Indirect Claimant may request that the Asbestos Personal Injury Trust review the applicable Indirect Asbestos Personal Injury Claim individually to determine whether the Indirect Claimant can establish under applicable state law that it has paid a liability or obligation that the Asbestos Personal Injury Trust would otherwise have to a Direct Claimant. If the Indirect Claimant can make such a showing, the Asbestos Personal Injury Trust will reimburse the Indirect Claimant for the amount of the liability or obligation so paid, multiplied by the then-applicable Payment Percentage. However, in no event will such reimbursement to the Indirect Claimant be greater than the amount to which the Direct Claimant would have been entitled. Further, the liquidated value of any Indirect Asbestos Personal Injury Claim paid by the Asbestos Personal Injury Trust to an Indirect Claimant will be treated as an offset to or reduction of the full liquidated value of any Asbestos Personal Injury Claim that might be subsequently asserted by the Direct Claimant against the Asbestos Personal Injury Trust.

Any dispute between the Asbestos Personal Injury Trust and an Indirect Claimant over whether the indirect claimant has a right to reimbursement will be subject to alternative dispute resolution procedures to be adopted by the Asbestos Personal Injury Trustee(s) with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative. If such a dispute cannot be resolved through the ADR procedures, the Indirect Claimant may litigate the dispute in the tort system as provided in the Asbestos Personal Injury Trust Distribution Procedures.

8. Ordering of Claims

The Asbestos Personal Injury Trust will, as a general matter, order claims that are sufficiently complete to be reviewed for processing purposes pursuant to the FIFO Processing Queue. For all claims filed on or before the date six months after the date that the Asbestos Personal Injury Trust first makes available the proof of claim forms and other claims materials required to file a claim with the Asbestos Personal Injury Trust (such six month anniversary being referred to herein as the "Initial Claims Filing Date"), a claimant's position in the FIFO Processing Queue will be determined as of the earliest of (i) the date prior to the Petition Date (if any) that the specific claim was either filed against Yarway in the tort system or was actually submitted to Yarway pursuant to an administrative settlement agreement, (ii) the date before the Petition Date that an asbestos claim was filed against another defendant in the tort system if at the time the claim was subject to a tolling agreement with Yarway, (iii) the date after the Petition Date (if any) but before the date that the Asbestos Personal Injury Trust makes available the claims materials required to file an Asbestos Personal Injury Claim that the asbestos claim was filed against another defendant in the tort system, or (iv) the date the claimant submitted a Ballot in the Chapter 11 Case for purposes of voting on the Plan pursuant to the voting procedures approved by the Bankruptcy Court.

Following the Initial Claims Filing Date, a claimant's position in the FIFO Processing Queue will be determined by the date the claim was filed with the Asbestos Personal Injury Trust.

9. Effect of Statutes of Limitation and Repose

To be eligible for a place in the FIFO Processing Queue, a claim must meet either (i) for claims first filed in the tort system against Yarway prior to the Petition Date, the applicable federal, state and foreign statute of limitations and repose that was in effect at the time of the filing of the claim in the tort system, or (ii) for claims that were not filed against Yarway in the tort system prior to the Petition Date, the applicable federal, state or foreign statute of limitations that was in effect at the time of the filing with the Asbestos Personal Injury Trust.

However, the running of the relevant statute of limitations will be tolled as of the earliest of (i) the actual filing of the claim against Yarway prior to the Petition Date, whether in the tort system or by submission of the claim to Yarway pursuant to an administrative settlement agreement; (ii) the tolling of the claim against Yarway prior to the Petition Date by an agreement or otherwise, provided such tolling is still in effect on the Petition Date; or (iii) the Petition Date.

If an Asbestos Personal Injury Claim meets any of the tolling provisions described in the preceding sentence and the claim was not barred by the applicable statute of limitations at the time of the tolling event, it will be treated by the Asbestos Personal Injury Trust as if it is actually filed with the Asbestos Personal Injury Trust within three years after the Initial Claims Filing Date. In addition, any claims that were first diagnosed after the Petition Date, irrespective of the application of any relevant statute of limitations or repose, may be filed with the Asbestos Personal Injury Trust within three (3) years after the date of diagnosis of the disease upon which the claim is based or within three (3) years after the Initial Claims Filing Date, whichever occurs later. However, the processing of any Asbestos Personal Injury Claim by the Asbestos Personal Injury Trust may be deferred at the election of the claimant.

10. Payment of Claims

Asbestos Personal Injury Claims that are liquidated by the Expedited Review process, by the Individual Review process, by arbitration, or by litigation in the tort system, will be paid in accordance with the FIFO Payment Queue, subject to the applicable Payment Percentage, the Maximum Annual Payment, the Maximum Available Payment, and the Claims Payment Ratio.

11. Resolution of Pre-Petition Liquidated Asbestos Personal Injury Claims

As soon as practicable after the Effective Date, the Asbestos Personal Injury Trust shall pay, upon submission by the claimant of all appropriate documentation required by the Asbestos Personal Injury Trust, all Asbestos Personal Injury Claims that were liquidated (i) by a binding settlement agreement for the particular claim entered into prior to the Petition Date that is judicially enforceable by the claimant, (ii) after the Petition Date according to the terms of a binding settlement agreement entered into prior to the Petition Date (a "Pre-Petition Agreement"), (iii) by a jury verdict or non-final judgment in the tort system obtained prior to the Petition Date, or (iv) by a judgment that became final and non-appealable prior to the Petition Date (collectively "Pre-Petition Liquidated Asbestos Personal Injury Claims"). In order to

receive payment from the Asbestos Personal Injury Trust, the holder of a Pre-Petition Liquidated Asbestos Personal Injury Claim must submit all documentation necessary to demonstrate to the Asbestos Personal Injury Trust that the claim was liquidated in the manner described in (i), (ii), (iii) or (iv), which documentation shall include (A) a court-authenticated copy of the jury verdict (if applicable), non-final judgment (if applicable), or final judgment (if applicable), and (B) the name, social security number, and date of birth of the claimant and the name and address of the claimant's lawyer; provided, however, that such documentation shall not be required with respect to any Pre-Petition Liquidated Asbestos Personal Injury Claim that Yarway has identified to the Asbestos Personal Injury Trust as a Pre-Petition Liquidated Asbestos Personal Injury Claim as to which all conditions to payment under the applicable agreement, jury verdict, or judgment have been satisfied. Yarway shall deliver to the Asbestos Personal Injury Trust a list of the Pre-Petition Liquidated Asbestos Personal Injury Claims that Yarway has approved for payment, which claims shall be entitled to rely upon the exception set forth in the preceding sentence.

The liquidated value of a Pre-Petition Liquidated Asbestos Personal Injury Claim shall be the unpaid portion of the amount agreed to in the binding settlement agreement or Pre-Petition Agreement, the unpaid portion of the amount awarded by the jury verdict or non-final judgment, or the unpaid portion of the amount of the final judgment, as the case may be, plus interest, if any, that has accrued on that amount in accordance with the terms of the binding settlement agreement or Pre-Petition Agreement, if any, or under applicable state law for settlements or judgments as of the Petition Date; however, except as otherwise provided in the Asbestos Personal Injury Trust Distribution Procedures, the liquidated value of a Pre-Petition Liquidated Asbestos Personal Injury Claim shall not include any punitive or exemplary damages. In addition, the amounts payable with respect to such claims shall not be subject to or taken into account for purposes of the Claims Payment Ratio and the Maximum Available Payment limitations, but shall be subject to the Maximum Annual Payment and Payment Percentage provisions. In the absence of a Final Order of the Bankruptcy Court determining whether a settlement agreement is binding and judicially enforceable, a dispute between a claimant and the Asbestos Personal Injury Trust over this issue shall be resolved pursuant to the same procedures in the Asbestos Personal Injury Trust Distribution Procedures that are provided for resolving the validity and/or liquidated value of an Asbestos Personal Injury Claim. Pre-Petition Liquidated Asbestos Personal Injury Claims shall be processed and paid in accordance with their order in a separate FIFO queue to be established by the Asbestos Personal Injury Trust based on the date the Asbestos Personal Injury Trust received all required documentation for the particular claim.

12. Resolution of Unliquidated Asbestos Personal Injury Claims

(a) Asbestos Personal Injury Claims

Within six months after the establishment of the Asbestos Personal Injury Trust, the Asbestos Personal Injury Trustee(s), with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative, will adopt procedures for reviewing and liquidating all unliquidated Asbestos Personal Injury Claims, which will include deadlines for processing such claims. Such procedures will also require claimants seeking resolution of unliquidated Asbestos Personal Injury Claims to first file a proof of claim form, together with the required supporting documentation. The proof of claim form to be submitted to the Asbestos Personal Injury Trust shall require the claimant to assert the highest Disease Level

for which the claim qualifies at the time of filing and shall include a certification by the claimant or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure.

Upon filing of a valid proof of claim form with the required supporting documentation, the claim shall be placed in the FIFO Processing Queue. If a claimant fails to elect either the Individual Review process or the Expedited Review process, then the Asbestos Personal Injury Trust shall process and liquidate the claim under the Expedited Review process, although the claimant shall retain the right to request Individual Review.

(i) Expedited Review Process – General

The Asbestos Personal Injury Trust’s Expedited Review process (“Expedited Review”) is designed primarily to provide an expeditious, efficient, consistent, and inexpensive method for resolving all Asbestos Personal Injury Claims (except those involving Disease Level V – Lung Cancer 2, secondary exposure claims, and Foreign Claims, which shall all be subject to Individual Review) where the claim can easily be verified by the Asbestos Personal Injury Trust as meeting the presumptive Medical/Exposure Criteria for the relevant Disease Level. Expedited Review is intended to provide claimants with a substantially less burdensome process for pursuing Asbestos Personal Injury Claims than the Individual Review process, as well as a fixed and certain claims liquidated payment.

Thus, claims that undergo Expedited Review and meet the presumptive Medical/Exposure Criteria for the relevant Disease Level shall be paid the Scheduled Value for such Disease Level. However, all claims liquidated by Expedited Review shall be subject to the applicable Payment Percentage, the Maximum Annual Payment, the Maximum Available Payment, and the Claims Payment Ratio limitations set forth herein. Claimants holding claims that cannot be liquidated by Expedited Review because they do not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level may elect the Asbestos Personal Injury Trust’s Individual Review process.

(ii) Claims Processing Under Expedited Review

All claimants seeking liquidation of Asbestos Personal Injury Claims pursuant to Expedited Review must file the Asbestos Personal Injury Trust’s proof of claim form. As a proof of claim form is reached in the FIFO Processing Queue, the Asbestos Personal Injury Trust will determine whether the claim described therein meets the Medical/Exposure Criteria for one of the seven Disease Levels eligible for Expedited Review, and will advise the claimant of its determination. If a Disease Level is determined, the Asbestos Personal Injury Trust will tender to the claimant an offer of payment of the Scheduled Value for the relevant Disease Level multiplied by the applicable Payment Percentage, together with a form of release approved by the Asbestos Personal Injury Trust. If the claimant accepts the offer and returns the release properly executed, the claim shall be placed in the FIFO Payment Queue, and the Asbestos Personal Injury Trust will disburse payment subject to the limitations of the Maximum Annual Payment, the Maximum Available Payment, and the Claims Payment Ratio, if any.

(iii) Individual Review Process – General

The Asbestos Personal Injury Trust's Individual Review process ("Individual Review") provides a claimant with an opportunity for individual consideration and evaluation of an Asbestos Personal Injury Claim or Claims that fail to meet the presumptive Medical/Exposure Criteria for Disease Levels I-IV, VI, and VII. In any such case, the Asbestos Personal Injury Trust will either deny the claim, or, if the Asbestos Personal Injury Trust is satisfied that the claimant has presented a claim that would be cognizable and valid in the relevant tort system, the Asbestos Personal Injury Trust can offer the claimant a liquidated value amount up to the Scheduled Value for that Disease Level, unless the claim qualifies as an Extraordinary Claim (discussed below), in which case its liquidated value cannot exceed the extraordinary maximum value for such a claim (up to five (5) times its Scheduled Value). Claimants holding Asbestos Personal Injury Claims involving Disease Levels III-VII will also be eligible to seek Individual Review of the liquidated value of their claims.

The Individual Review process is intended to result in payments equal to the full liquidated value for each claim multiplied by the Payment Percentage; however, the liquidated value of any Asbestos Personal Injury Claim that undergoes Individual Review may be determined to be less than the Scheduled Value the claimant would have received under Expedited Review. Moreover, the liquidated value for a claim involving Disease Levels III-VII will not exceed the Maximum Value for the relevant Disease Level, unless the claim meets the requirements of an Extraordinary Claim, in which case its liquidated value cannot exceed the extraordinary maximum value set forth in that provision for such claims. Because the detailed examination and valuation process pursuant to Individual Review will require substantial time and effort, claimants electing to undergo the Individual Review process may be paid the liquidated value of their Asbestos Personal Injury Claims (subject to the Payment Percentages, the Maximum Annual Payment, the Maximum Available Payment, and the Claims Payment Ratio) later than would have been the case had the claimant elected Expedited Review.

The liquidated value of all Foreign Claims shall be established only under the Asbestos Personal Injury Trust's Individual Review process. Asbestos Personal Injury Claims of individuals exposed in Canada who were residents of Canada when such claims were filed ("Canadian Claims") shall not be considered Foreign Claims hereunder and shall be eligible for liquidation under the Expedited Review process. Accordingly, a "Foreign Claim" is an Asbestos Personal Injury Claim with respect to which the claimant's exposure to an asbestos-containing product or conduct for which Yarway has legal responsibility occurred outside of the United States and its Territories and Possessions, and outside of the Provinces and Territories of Canada.

(iv) Individual Review Process – Valuation Factors to be Considered

The Asbestos Personal Injury Trust will liquidate the value of each Asbestos Personal Injury Claim that undergoes Individual Review based on the historic liquidated values of other similarly situated claims in the tort system for the same Disease Level. The Asbestos Personal Injury Trust will thus take into consideration the factors that affect the severity of damages and values within the tort system including, but not limited, to credible evidence of, (i) the degree to which the characteristics of a claim differ from the presumptive Medical/Exposure Criteria for the Disease Level in question; (ii) factors such as the claimant's age, disability, employment status, disruption of household, family or recreational activities, dependencies, special damages, and pain and suffering; (iii) whether the claimant's damages were caused by asbestos exposure,

including exposure to the Yarway Product Lines prior to December 31, 1982 (for example, alternative causes and/or the strength of documentation of injuries); (iv) the industry of exposure; (v) settlements and verdict histories and other law firms' experience in the Claimant's Jurisdiction for similarly-situated claims, and (vi) settlement and verdict histories for the claimant's law firm for similarly situated claims.

The "Claimant's Jurisdiction" is the jurisdiction in which the claim was filed (if at all) against Yarway in the tort system prior to the Petition Date. If the claim was not filed against Yarway in the tort system prior to the Petition Date, the claimant may elect as the Claimant's Jurisdiction either (i) the jurisdiction in which the claimant resides at the time of diagnosis or when the claim is filed with the Asbestos Personal Injury Trust; or (ii) a jurisdiction in which the claimant experienced exposure to an asbestos-containing product or to conduct for which Yarway has legal responsibility.

(v) Scheduled, Average and Maximum Values

The Scheduled, Average, and Maximum Values for all Asbestos Personal Injury Claims are as follows:

Asbestos Personal Injury Claims:

Scheduled Disease	Scheduled Value	Average Value	Maximum Value
Mesothelioma (Level VII)	\$55,000	\$80,000	\$150,000
Lung Cancer 1 (Level VI)	\$17,500	\$20,000	\$40,000
Lung Cancer 2 (Level V)	None	\$5,000	\$15,000
Other Cancer (Level IV)	\$5,000	\$6,000	\$15,000
Severe Asbestosis (Level III)	\$10,000	\$12,000	\$20,000
Asbestosis/Pleural Disease (Level II)	\$2,000	None	None
Asbestosis/Pleural Disease (Level I)	\$500	None	None

These Scheduled Values, Average Values, and Maximum Values shall apply to all Trust Voting Claims (as defined in the Asbestos Personal Injury Trust Distribution Procedures) other than Pre-Petition Liquidated Asbestos Personal Injury Claims filed with the Asbestos Personal Injury Trust on or before the Initial Claims Filing Date. Thereafter, the Asbestos Personal Injury Trustee(s), with the consent of the Asbestos Personal Injury Trust Advisory Committee and the

Future Claimants' Representative, may change these valuation amounts for good cause and consistent with other restrictions on the amendment power.

13. Extraordinary Claims and Exigent Hardship Claims

An "Extraordinary Claim" is an Asbestos Personal Injury Claim that otherwise satisfies the Medical Criteria for a Disease Level and that is held by a claimant whose exposure to asbestos (i) occurred predominantly as the result of working in a manufacturing facility of Yarway or Gimpel during a period in which Yarway or Gimpel was manufacturing asbestos-containing products at that facility, or (ii) was at least 75% the result of exposure to an asbestos-containing product for which Yarway has a legal responsibility, and in either case there is little likelihood of a substantial recovery elsewhere. All such Extraordinary Claims will be presented for Individual Review and, if valid, shall be entitled to an award of up to an extraordinary maximum value of five (5) times the Scheduled Value for claims qualifying for Disease Levels I-IV, VI, and VII, and five (5) times the Average Value for claims in Disease Level V, multiplied by the applicable Payment Percentage. An Extraordinary Claim, following its liquidation, will be placed in the Asbestos Personal Injury Trust's FIFO Payment Queue ahead of all other Asbestos Personal Injury Claims except Pre-Petition Liquidated Asbestos Personal Injury Claims, Existing Claims, and Exigent Hardship Claims, which shall be paid first in that order in said queue, based on its date of liquidation and shall be subject to the Maximum Available Payment and Claims Payment Ratio described above.

At any time, the Asbestos Personal Injury Trust may liquidate and pay Asbestos Personal Injury Claims that qualify as "Exigent Hardship Claims." Such claims may be considered separately no matter what the order of processing otherwise would have been under the Asbestos Personal Injury Trust Distribution Procedures. An Exigent Hardship Claim, following its liquidation, shall be placed first in the FIFO Payment Queue ahead of all other liquidated Asbestos Personal Injury Claims except Pre-Petition Liquidated Asbestos Personal Injury Claims and Existing Claims, which claims together with the Exigent Hardship Claims, shall be paid in accordance with the provisions of Section 2.4 of the Asbestos Personal Injury Trust Distribution Procedures. They shall be subject to the Maximum Annual Payment. An Asbestos Personal Injury Claim qualifies for payment as an Exigent Hardship Claim if the claim meets the Medical/Exposure Criteria for Severe Asbestosis (Disease Level III) or an asbestos-related malignancy (Disease Levels IV-VII), and the Trust, in its sole discretion, determines (i) that the claimant needs financial assistance on an immediate basis based on the claimant's expenses and all sources of available income, and (ii) that there is a causal connection between the claimant's dire financial condition and the claimant's asbestos-related disease.

14. Secondary Exposure Claims

If a claimant asserting an Asbestos Personal Injury Claim alleges an asbestos-related disease resulting solely from exposure to an occupationally exposed person, such as a family member, the claimant must seek Individual Review of his or her claim. In such a case, the claimant must establish that the occupationally exposed person would have met the exposure requirements under the Asbestos Personal Injury Trust Distribution Procedures that would have been applicable had that person filed a direct claim against the Asbestos Personal Injury Trust. In addition, the claimant with secondary exposure must establish that he or she is suffering from

one of the seven Disease Levels described in Section 5.3(a)(3) of the Asbestos Personal Injury Trust Distribution Procedures or an asbestos-related disease otherwise compensable under the Asbestos Personal Injury Trust Distribution Procedures, that his or her own exposure to the occupationally exposed person occurred within the same time frame as the occupationally exposed person was exposed to asbestos products produced by Yarway or Gimpel, and that such secondary exposure was a cause of the claimed disease. All liquidation and payment rights and limitations under the Asbestos Personal Injury Trust Distribution Procedures are applicable to Secondary Exposure Claims.

15. Evidentiary Requirements for Asbestos Personal Injury Claims

(a) Medical Evidence

For Asbestos Personal Injury Claims, all diagnoses of a Disease Level must be accompanied by either (i) a statement by the physician providing the diagnosis that at least ten (10) years have elapsed between the date of first exposure to asbestos or asbestos-containing products and the diagnosis, or (ii) a history of the claimant's exposure sufficient to establish a ten (10) year latency period. A finding by a physician after the Effective Date that a claimant's disease is "consistent with" or "compatible with" asbestosis will not alone be treated by the Asbestos Personal Injury Trust as a diagnosis.

- a) Disease Levels I-III. Except for claims filed against Yarway or another asbestos defendant in the tort system prior to the Petition Date, all diagnoses of a non-malignant asbestos-related disease (Disease Levels I-III) shall be based, in the case of a claimant who was living at the time the claim was filed, upon a physical examination of the claimant by the physician providing the diagnosis of the asbestos-related disease. In addition, all living claimants must provide (i) for Disease Levels I-II, evidence of Bilateral Asbestos-Related Nonmalignant Disease, (ii) for Disease Level III, an ILO reading of 2/1 or greater or pathological evidence of asbestosis, and (iii) in the case of Disease Levels II and III, pulmonary function testing. In the case of a claimant who was deceased at the time the claim was filed, all diagnoses of non-malignant asbestos-related disease must be based on either (i) a physical examination of the claimant by the physician providing the diagnosis, (ii) pathological evidence of the non-malignant asbestos-related disease, or (iii) in the case of Disease Levels I and II, evidence of Bilateral Asbestos-Related Non-Malignant Disease, and, for Disease Level III, either an ILO reading of 2/1 or greater or pathological evidence of asbestosis, and (iv) for either Disease Levels II or III, pulmonary function testing.
- b) Disease Levels IV-VII. All diagnoses of an asbestos-related malignancy (Disease Levels IV-VII) submitted to the Asbestos Personal Injury Trust must be based upon either (i) a physical examination of the claimant by the physician providing the diagnosis of the malignant asbestos-related disease, or (ii) on a diagnosis of such

a malignant Disease Level by a board-certified pathologist or a pathology report prepared at or on behalf of a hospital accredited by the Joint Commission on Accreditation of Healthcare Organizations.

However, if the holder of an Asbestos Personal Injury Claim that was filed against Yarway or another defendant in the tort system prior to the Petition Date has available a report of a diagnosing physician engaged by the holder or his or her law firm who conducted a physical examination of the holder, or if the holder has filed such medical evidence and/or diagnosis of the asbestos-related disease by a physician not engaged by the holder or his or her law firm who conducted a physical examination of the holder with another asbestos-related personal injury settlement trust that requires such evidence, without regard to whether the holder or the law firm engaged the diagnosing physician, the holder shall provide such diagnosis to the Asbestos Personal Injury Trust notwithstanding the exception described above.

(b) Credibility of Medical Evidence

The Asbestos Personal Injury Trust must have reasonable confidence that the medical evidence provided in support of a claim is credible and consistent with recognized medical standards before making any payment to a claimant. Accordingly, the Asbestos Personal Injury Trust may require the submission of X-rays, CT scans, detailed results of pulmonary function tests, laboratory tests, tissue samples, results of medical examination(s) or reviews of other medical evidence, and may require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods and procedure to assure that such evidence is reliable. Medical evidence (i) that is of a kind shown to have been received in evidence by a state or federal judge at trial, (ii) that is consistent with evidence submitted to Yarway to settle for payment similar disease cases prior to the Petition Date, or (iii) that is a diagnosis by a physician shown to have previously qualified as a medical expert with respect to the asbestos-related disease in question before a state, federal or foreign judge, is presumptively reliable, although the Asbestos Personal Injury Trust may seek to rebut the presumption.

In addition, claimants who otherwise meet the requirements of the Asbestos Personal Injury Trust Distribution Procedures for payment of an Asbestos Personal Injury Claim shall be paid by the Asbestos Personal Injury Trust irrespective of the results in any litigation at any time between the claimant and any other defendant(s) in the relevant tort system. However, any relevant evidence submitted in a proceeding in the relevant tort system involving another defendant, other than any findings of fact, a verdict, or a judgment, involving another defendant, may be introduced by either the claimant or the Asbestos Personal Injury Trust in any Individual Review proceeding or any Extraordinary Claim proceeding conducted by the Asbestos Personal Injury Trust.

(c) Exposure Evidence

To qualify for any Disease Level, holders of Asbestos Personal Injury Claims must demonstrate a minimum exposure to the Yarway Product Lines. Claims based on conspiracy theories that involve no such exposure to the Yarway Product Lines are not compensable under the Asbestos Personal Injury Trust Distribution Procedures. The specific exposure requirements for each Disease Level are set forth in Section ____ of the Asbestos Personal Injury Trust

Distribution Procedures. If the claimant cannot meet the relevant presumptive exposure requirements for a Disease Level eligible for Expedited Review, the claimant may seek Individual Review of his or her exposure to the Yarway Product Lines.

For a claimant seeking to demonstrate meaningful and credible exposure in order to satisfy the requirements of Yarway Exposure, such evidence may be established by an affidavit or sworn statement of the living claimant; by an affidavit or sworn statement of a co-worker; or by an affidavit or sworn statement of a family member in the case of a deceased claimant (providing the Asbestos Personal Injury Trust finds such evidence reasonably reliable); by invoices, employment, construction, or similar records; or by other credible evidence. The Asbestos Personal Injury Trust may also require submission of other or additional evidence of exposure when it deems such to be necessary. The specific exposure information required by the Asbestos Personal Injury Trust to process a claim under either Expedited Review or Individual Review shall be set forth on the proof of claim form to be used by the Asbestos Personal Injury Trust.

16. Second Disease (Malignancy) Claims

The holder of an Asbestos Personal Injury Claim involving a non-malignant asbestos-related disease (Disease Levels I-III) may assert a new Asbestos Personal Injury Claim against the Asbestos Personal Injury Trust for a malignant disease (Disease Levels IV-VII) that is subsequently diagnosed. Any additional payments to which such claimant may be entitled with respect to such malignant asbestos-related disease shall not be reduced by the amount paid for the non-malignant asbestos-related disease, provided that the malignant disease had not been diagnosed at the time the claimant was paid with respect to his or her original claim involving the non-malignant disease.

17. Punitive Damages

Except as provided below for claims asserted under the Alabama Wrongful Death Statute, in determining the value of any Asbestos Personal Injury Claim, punitive or exemplary damages (*i.e.*, damages other than compensatory damages) shall not be considered or allowed, notwithstanding their availability in the tort system. No punitive or exemplary damages will be payable with respect to any claim litigated against the Asbestos Personal Injury Trust in the tort system, as described below. The only damages that may be awarded to Claimants who are deceased and whose personal representatives pursue their claims only under the Alabama Wrongful Death Statute shall be compensatory damages determined pursuant to the statutory and common law of the Commonwealth of Pennsylvania, without regard to its choice of law principles. The choice of law provision in the Asbestos Personal Injury Trust Distribution Procedures applicable to any claim with respect to which, but for the choice of law provision, the applicable law of the Claimant's Jurisdiction is determined to be the Alabama Wrongful Death Statute, shall only govern the rights between the Asbestos Personal Injury Trust and the claimant including, but not limited to, suits in the tort system.

18. Arbitration of Asbestos Personal Injury Claims

The Asbestos Personal Injury Trust, with the consent of the Asbestos Personal Injury Trust Advisory Committee and the Post-Petition Future Claimants' Representative, shall establish binding and non-binding arbitration procedures as part of ADR Procedures for resolving disputes concerning whether a pre-petition settlement agreement with Yarway is binding and judicially enforceable, whether the Asbestos Personal Injury Trust's outright rejection or denial of a claim was proper, or whether the claimant's medical condition or exposure history meets the requirements of the Asbestos Personal Injury Trust Distribution Procedures for purposes of categorizing an Asbestos Personal Injury Claim involving Disease Levels I-VII, as well as disputes over Yarway's share of the unpaid portion of a Pre-Petition Liquidated Asbestos Personal Injury Claim and disputes over the validity of an Indirect Asbestos Personal Injury Claim.

19. Suits in the Tort System

If the holder of a disputed claim disagrees with the Asbestos Personal Injury Trust's determination regarding the Disease Level of the claim, the claimant's exposure history, or the liquidated value of the claim, and if the holder has first submitted the claim to non-binding arbitration, the holder may file a lawsuit against the Asbestos Personal Injury Trust in the Claimant's Jurisdiction. All defenses shall be available to both sides at trial; however, the Asbestos Personal Injury Trust may waive any defense and/or concede any issue of fact or law. If the claimant was alive at the time the initial pre-petition complaint was filed or on the date the proof of claim was filed with the Asbestos Personal Injury Trust, the case will be treated as a personal injury case with all personal injury damages to be considered even if the claimant has died during the pendency of the claim.

20. Payment of Judgment for Money Damages

If and when a claimant obtains a judgment in the tort system, the claim will be placed in the FIFO Payment Queue based on the date on which the judgment became final. Thereafter, the claimant will receive an initial payment (subject to the applicable Payment Percentage, the Maximum Available Payment, and the Claims Payment Ratio provisions) of an amount equal to the greater of (i) the Asbestos Personal Injury Trust's last offer to the claimant or (ii) the award that the claimant declined in non-binding arbitration; provided, however, that in no event shall such payment amount exceed the amount of the judgment obtained in the tort system. The claimant shall receive the balance of the judgment, if any, in five (5) equal installments in years six (6) through ten (10) following the year of the initial payment (also subject to the applicable Payment Percentage, the Maximum Available Payment and the Claims Payment Ratio provisions).

In the case of a non-Extraordinary Claim involving Disease Levels I-II, the total amount paid with respect to such claim shall not exceed the Scheduled Value for such Disease Level. In the case of non-Extraordinary Claims involving Disease Levels III-VII, the total amounts paid with respect to such claims shall not exceed the Maximum Values for such Disease Levels. In the case of Extraordinary Claims, the total amounts paid with respect to such claims shall not exceed the relevant maximum extraordinary values for such claims. Under no circumstances

shall interest be paid under any statute on any judgments obtained in the tort system pursuant to Section ___ of the Asbestos Personal Injury Trust Distribution Procedures.

21. Amendments to the Asbestos Personal Injury Trust Distribution Procedures

Except as otherwise provided in the Asbestos Personal Injury Trust Distribution Procedures, the Asbestos Personal Injury Trustee(s) may amend, modify, delete or add to any provisions of the Asbestos Personal Injury Trust Distribution Procedures (including, without limitation, amendments to conform the Asbestos Personal Injury Trust Distribution Procedures to advances in scientific or medical knowledge or other changes in circumstances), provided the Asbestos Personal Injury Trustee(s) first obtain the consent of the Asbestos Personal Injury Trust Advisory Committee and the Future Claimants' Representative pursuant to the Consent Process set forth in Section _____ of the Asbestos Personal Injury Trust Agreement; provided, however, that the right to amend the Claims Payment Ratio will be governed by the restrictions in Section ___ of the Asbestos Personal Injury Trust Distribution Procedures and the right to adjust the Payment Percentage will be governed by Section ___ of the Asbestos Personal Injury Trust Distribution Procedures.

VIII. OTHER ASPECTS OF THE PLAN

A. Distributions Under the Plan on Account of Claims Other than Asbestos Personal Injury Claims

Other than with respect to payments to be made on account of Asbestos Personal Injury Claims and Asbestos Personal Injury Trust Expenses from the Asbestos Personal Injury Trust, Reorganized Yarway shall make all Distributions required to be made under the Plan as provided under Article V thereof. All distributions to be made by the Asbestos Personal Injury Trust shall be made in accordance with the terms of the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures.

1. Timing and Conditions of Distributions

(a) Record Date for Holders of Claims

Except as otherwise provided in a Final Order, the transferees of Claims that are transferred pursuant to Rule 3001 of the Bankruptcy Rules on or prior to the Distribution Record Date shall be treated as the holders of such Claims for all purposes, notwithstanding that any period provided by Rule 3001 for objecting to such transfer has not expired by the Distribution Record Date.

(b) Date of Distributions

Except as otherwise provided in the Plan, any Distributions and deliveries to be made thereunder on account of Allowed Claims (other than Asbestos Personal Injury Claims) shall be made (i) on the Effective Date or as soon thereafter as is practicable for Claims that are Allowed as of the Effective Date or (ii) within thirty (30) days of the date on which a Claim becomes Allowed if such Claim becomes Allowed after the Effective Date. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day,

then the making of such payment or the performance of such act may be completed on, or as soon as reasonably practicable after, the next succeeding Business Day, but shall be deemed to have been completed as of the required date, and no interest shall accrue or be payable on any such payment on the basis that such payment was not actually made on the required date.

(c) Postpetition Interest on Claims

Except as otherwise provided for in the Plan (including Section 3.2.2 of the Plan), the Plan Documents or the Confirmation Order, or any contract, instrument, release, settlement or other agreement entered into in connection with the Plan, or unless required by applicable bankruptcy law, interest accruing on or after the Petition Date on account of any Claim shall not be paid.

(d) Fractional Cents

No payment of fractional cents will be made pursuant to the Plan. Whenever any payment of a fraction of a cent under the Plan would otherwise be required, the actual Distribution made will reflect a rounding of such fraction to the nearest whole penny (up or down), with fractions of more than half a penny being rounded up and fractions of half of a penny or less being rounded down.

2. Means of Cash Payment

At the option of Yarway or Reorganized Yarway, as applicable, any Cash payment to be made under the Plan may be made by a check or wire transfer or as otherwise required or provided in any applicable agreement.

3. Delivery of Distributions

All Distributions to any holder of an Allowed Claim shall be made at the address of such holder as set forth on (i) the Schedules filed with the Bankruptcy Court, (ii) a proof of claim filed by or on behalf of such holder in the Chapter 11 Case, or (iii) the books and records of Yarway, unless Yarway or Reorganized Yarway has been notified in writing of a change of address.

If any holder's Distribution is returned as undeliverable, then no further Distributions to such holder shall be made unless and until Reorganized Yarway is notified of such holder's then-current address, at which time any missed Distribution shall be made to such holder without interest. A Cash Distribution that is not claimed by the expiration of six (6) months from the date that such Distribution was made – along with any further Distributions withheld under this Section – shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall revert in Reorganized Yarway, and the Claim of any holder to such Distributions or any further Distributions shall be discharged and forever barred. Nothing contained in the Plan shall require Yarway or Reorganized Yarway to attempt to locate any holder of an Allowed Claim.

4. Time Bar to Cash Payments

Checks issued by Reorganized Yarway in respect of Distributions on Allowed Claims shall be null and void if not presented for payment within ninety (90) days after the date of

issuance thereof. Requests for reissuance of any check shall be made in writing to Reorganized Yarway by the holder of the Allowed Claim to whom such check originally was issued on or before thirty (30) days after the expiration of the ninety (90) day period following the date of issuance of such check. All funds held on account of a check voided in accordance with Section 5.7 of the Plan shall be returned to the Net Reserve Funds, and the Claim of any holder to such Distributions shall be discharged and forever barred.

5. Prepayment of Claims

Except as otherwise provided in the Plan, the Plan Documents, or the Confirmation Order, Reorganized Yarway shall have the right to prepay, without penalty, all or any portion of an Allowed Claim at any time; provided, that any such prepayment shall not violate or otherwise prejudice the relative priorities among the Classes of Claims.

6. Setoff and Recoupment

Yarway or Reorganized Yarway (or the Asbestos Personal Injury Trust to the extent it pertains to an Asbestos Personal Injury Claim) may, but shall not be required to, set off and/or recoup against any Claim (for purposes of determining the Allowed Amount of such Claim on which a Distribution shall be made), any claims of any nature whatsoever that Yarway or Reorganized Yarway (or the Asbestos Personal Injury Trust to the extent it pertains to an Asbestos Personal Injury Claim) may have against the holder of such Claim, and the failure to do so shall not constitute a waiver or release by Yarway or Reorganized Yarway of any such claims that Yarway or Reorganized Yarway may have against the holder of such Claim.

7. Procedures for Resolving and Treating Disputed Claims Other Than Asbestos Personal Injury Claims and Professional Fee Claims

(a) Disputed Claims

All Disputed Claims against Yarway other than Asbestos Personal Injury Claims and Professional Fee Claims shall be subject to the provisions of Article VII of the Plan. All Asbestos Personal Injury Claims shall be resolved by the Asbestos Personal Injury Trust in accordance with section 8.3 of the Plan, the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures. Only the Asbestos Personal Injury Trust will have the right to object to and/or resolve Asbestos Personal Injury Claims. All Asbestos Personal Injury Claims must be submitted solely to the Asbestos Personal Injury Trust for payment, which shall be in accordance with the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures. Professional Fee Claims shall be determined and, if Allowed, paid by Reorganized Yarway in accordance with Section 2.2(d) of the Plan.

(b) Objections to and Estimation of Claims

Except as otherwise provided in the Plan, Yarway or Reorganized Yarway, as the case may be, shall be entitled to file objections to Claims that have been brought in the Bankruptcy Court or should properly have been brought in the Bankruptcy Court but were brought in other forums (other than Asbestos Personal Injury Claims), on or before the date that is sixty (60) days

after the Effective Date (unless such day is not a Business Day, in which case such deadline shall be the next Business Day thereafter), as the same may be extended from time to time by the Bankruptcy Court. In addition, Yarway or Reorganized Yarway, as the case may be, may before the expiration of such period request that the Bankruptcy Court estimate any contingent, unliquidated or Disputed Claim (not including any Asbestos Personal Injury Claim) for any reason pursuant to section 502(c) of the Bankruptcy Code, regardless of whether Yarway previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate such Claim at any time, including, without limitation, during the pendency of litigation concerning any objection to any Claim or of any appeal relating thereto. Yarway and Reorganized Yarway shall be authorized to settle, compromise, withdraw or litigate to judgment such objections without further approval of the Bankruptcy Court.

(c) **Payments and Distributions with Respect to Disputed Claims**

Notwithstanding any provision of the Plan, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

B. Means for Implementation of the Plan

1. Generally

On and after the Confirmation Date, Yarway shall be empowered and authorized to take or cause to be taken, prior to the Effective Date, all actions necessary to enable it to implement the provisions of the Plan, including, without limitation, the creation of the Asbestos Personal Injury Trust and the preparations for the transfer of the Asbestos Personal Injury Trust Assets to the Asbestos Personal Injury Trust. From and after the Effective Date, Reorganized Yarway shall be governed pursuant to the Amended Certificate of Incorporation and Amended By-Laws.

2. Amended Certificate of Incorporation and By-Laws

The Amended Certificate of Incorporation and Amended By-Laws shall contain such provisions as are necessary to satisfy the provisions of the Plan and, to the extent necessary, to prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code. Notwithstanding the foregoing, the Amended Certificate of Incorporation and Amended By-Laws may be amended after the Effective Date as permitted by applicable law. Except as otherwise provided herein, such Amended Certificate of Incorporation and Amended By-Laws shall contain indemnification provisions applicable to the officers and employees of Reorganized Yarway and such other Entities as may be deemed appropriate in the discretion of Reorganized Yarway and will provide for the authorization and issuance of the Reorganized Yarway Common Stock.

3. Net Reserve Funds

No later than the Effective Date, Yarway shall establish a bank account for the sole purpose of holding the Net Reserve Funds. The Net Reserve Funds shall be used for the sole

purpose of satisfying in full all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Claims, Allowed Secured Claims, and Allowed General Unsecured Claims, to the extent such Claims are not otherwise addressed or satisfied in accordance with the Plan, including the payment of any interest on such Claims that may be allowed under the Plan or required to be paid by the Bankruptcy Code. Any Net Reserve Funds remaining after the satisfaction in full of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Claims, Allowed Secured Claims, and Allowed General Unsecured Claims, including the payment of any interest on such Claims that may be allowed under the Plan or required to be paid by the Bankruptcy Code, shall be paid by Reorganized Yarway to Tyco or its designee as indicated in the Implementation Steps Plan.

4. Reorganized Yarway Common Stock

On the Effective Date, all of the existing Equity Interests in Yarway shall be cancelled, annulled, and extinguished, and 100% of the Reorganized Yarway Common Stock shall be authorized and issued to the Asbestos Personal Injury Trust.

5. Corporate Governance of Reorganized Yarway

On the Effective Date, (a) the current officers and directors of Yarway shall be deemed to resign from their respective positions by operation of the Plan and (b) the individuals identified in a notice to be filed by the Debtor no later than ten (10) days prior to the deadline established to accept or reject the Plan shall be appointed to serve as the officers and directors of Reorganized Yarway.

6. Operations of the Debtor Between Confirmation and the Effective Date

The Debtor shall continue to operate as a debtor and debtor-in-possession during the period from the Confirmation Date through and until the Effective Date.

7. Corporate Action

All matters provided for under the Plan involving the corporate structure of Yarway or Reorganized Yarway, or any corporate action to be taken by, or required of Yarway or Reorganized Yarway, shall be deemed to have occurred and be effective as provided in the Plan, and shall be authorized and approved in all respects without any requirement for further action by the stockholders or directors of any of such entities.

8. Effectuating Documents; Further Transactions

Any officer, member or manager of or director of Yarway or Reorganized Yarway, as the case may be, shall be, and pursuant to the Plan will be, authorized to execute, deliver, file, and record such contracts, instruments, releases, indentures, certificates, and other agreements or documents, and take such other actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Secretary or other appropriate officer of Yarway will be authorized pursuant to the Plan to certify or attest to any of the foregoing, if necessary.

Yarway and Reorganized Yarway, and all other parties, including all holders of Claims entitled to receive Distributions under the Plan, shall execute any and all documents and instruments that must be executed under or in connection with the Plan in order to implement the terms of the Plan or to effectuate the Distributions under the Plan, provided, that such documents and instruments are reasonably acceptable to such party or parties.

C. Treatment of Executory Contracts and Unexpired Leases

1. General Treatment

Subject to approval of the Bankruptcy Court, section 365 of the Bankruptcy Code allows a debtor to assume or reject its executory contracts and unexpired leases.

Yarway shall reject, as of the Effective Date, any and all Executory Contracts to which Yarway is a party, except for: (a) any Executory Contracts specifically listed on Exhibit F to the Plan, which shall be assumed and (b) any Executory Contracts specifically assumed or assumed and assigned pursuant to a Final Order entered on or before the Effective Date. Yarway may, at any time on or before the Effective Date, amend Exhibit F to the Plan to delete therefrom, or add thereto, any Executory Contract. Yarway shall provide notice of any such amendment to the parties to the Executory Contract(s) affected thereby and to the parties on any master service list established by the Bankruptcy Court in the Chapter 11 Case. The fact that any contract or lease is listed on Exhibit F to the Plan shall not constitute or be construed to constitute an admission that such contract or lease is an executory contract or unexpired lease within the meaning of section 365 of the Bankruptcy Code or that Yarway or any successor in interest to Yarway (including Reorganized Yarway) has any liability thereunder.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejections or assumptions, as the case may be, pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

2. Cure of Defaults

Any monetary defaults under each Executory Contract to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Claim in Cash on the later of (a) the Effective Date or (b) the date on which such Cure Claim is Allowed, or on such other terms as the parties to any such Executory Contract may otherwise agree. In the event of a dispute regarding: (a) the existence or amount of the Cure Claim; (b) the ability of Yarway or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract to be assumed, or (c) any other matter pertaining to assumption, the payments required by section 365(b)(1) of the Bankruptcy Code in respect of Cure Claims shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption.

3. Bar to Rejection Damages

In the event that the rejection of an Executory Contract by Yarway or Reorganized Yarway pursuant to the Plan results in damages to the non-Debtor party or parties to such Executory Contract, a claim for such damages shall be forever barred and shall not be

enforceable against Yarway, Reorganized Yarway, any of their Affiliates, or any of their respective properties or interests in property, and the non-Debtor party or parties to such Executory Contract shall be barred from receiving any Distribution under the Plan on account of such Claim, unless a Proof of Claim with respect to such damages is filed with the Bankruptcy Court and served upon counsel for Yarway or Reorganized Yarway, as applicable, and counsel for Tyco on or before (a) if such Executory Contract is rejected pursuant to Section 6.1 of the Plan, thirty (30) days after entry of the Confirmation Order; or (b) if such Executory Contract is rejected pursuant to a Final Order of the Bankruptcy Court granting a motion filed by Yarway to reject such Executory Contract, thirty (30) days after entry of such order.

D. Effect of Confirmation

1. Dissolution of Asbestos Claimants Committee; Discharge of the Future Claimants' Representative

Effective on the Effective Date, the Asbestos Claimants Committee shall be dissolved automatically, whereupon its members, Professionals, and agents shall be released and discharged from any further authority, duties, obligations and responsibilities in the Chapter 11 Case and under the Bankruptcy Code. Notwithstanding the foregoing, if the Effective Date occurs prior to the Confirmation Order becoming a Final Order, the Asbestos Claimants Committee may, at its option, continue to serve and function for the purposes of participating in any: (a) appeal of the Confirmation Order, but only until such time as the Confirmation Order becomes a Final Order; (b) hearing on a Professional Fee Claim; and (c) adversary proceeding pending on the Effective Date to which the Asbestos Claimants Committee was a party.

Effective on the Effective Date, the Future Claimants' Representative shall be discharged from his duties in such capacity, whereupon the Future Claimants' Representative and his Professionals and agents shall be released and discharged from any further authority, duties, obligations and responsibilities in the Chapter 11 Case and under the Bankruptcy Code.

Yarway shall pay, from the Net Reserve Funds, (i) the reasonable fees and expenses incurred by the Future Claimants' Representative and the Asbestos Claimants Committee through the Effective Date and (ii) the reasonable fees and expenses incurred by the Asbestos Claimants Committee and Post-Effective Date Future Claimants' Representative following the Effective Date (if any) in connection with participating in any: (a) appeal of the Confirmation Order, but only until such time as the Confirmation Order becomes a Final Order; (b) hearing on a Professional Fee Claim; and (c) adversary proceeding pending on the Effective Date to which the Asbestos Claimants Committee or Future Claimants' Representative, as applicable, was a party, in accordance with any applicable fee and expense procedures promulgated during the Chapter 11 Case and with Section 2.2(d) of the Plan. All reasonable and necessary post-Effective Date fees and expenses of the professionals retained by the Asbestos Personal Injury Trust Advisory Committee and the Post-Effective Date Future Claimants' Representative (except as provided in the preceding sentence) shall be paid exclusively by the Asbestos Personal Injury Trust in accordance with the terms of the Asbestos Personal Injury Trust Agreement, and Reorganized Yarway shall not be liable for any such fees and expenses. The parties shall attempt to resolve any dispute regarding the payment of such fees and expenses in good faith,

and if they shall fail to resolve such dispute, they shall submit the dispute to the Bankruptcy Court for resolution.

2. Vesting of Assets

Pursuant to section 1141(b) of the Bankruptcy Code, except as otherwise provided in the Plan, the Plan Documents or the Confirmation Order, the property of the Estate of Yarway (except for the Yarway Contribution and any other property of Yarway distributed pursuant to the Plan) shall vest in Reorganized Yarway on the Effective Date free and clear of any and all Liens, Claims, Encumbrances and other interests of any Entity. From and after the Effective Date, Reorganized Yarway may operate its business and may use, acquire, and dispose of property free of any restrictions imposed under or by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court. Without limiting the generality of the foregoing, Reorganized Yarway may, without application to, or approval by, the Bankruptcy Court, pay professional fees and expenses that Reorganized Yarway may incur after the Effective Date.

3. Preservation of Certain Causes of Action, Rights to Settle Claims and Compromise Controversies, and Defenses

With the exception of those claims released by Yarway pursuant to Section 10.5 of the Plan and/or the Yarway Release, or transferred to the Asbestos Personal Injury Trust pursuant to Section 8.3 of the Plan, in accordance with section 1123(b) of the Bankruptcy Code, Reorganized Yarway, as successor in interest to Yarway and its Estate, shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing), all claims, rights, causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, accruing to, or that are property of, Yarway and its Estate pursuant to the Bankruptcy Code or any statute or legal theory, including (a) any rights to, and claims or Causes of Action for, recovery under any policies of insurance issued to or on behalf of Yarway, other than any policies providing coverage for Asbestos Personal Injury Claims; and (b) any rights, claims, and Causes of Action against third parties based upon, attributable to, or arising out of Allowed Claims, in its sole and absolute discretion, without the necessity for Bankruptcy Court approval under Bankruptcy Rule 9019, and Reorganized Yarway shall retain and may enforce all defenses and counterclaims to all Claims asserted against Yarway or its Estate, including, but not limited to, setoff, recoupment and any rights under section 502(d) of the Bankruptcy Code. From and after the Effective Date, the Asbestos Personal Injury Trust and/or Reorganized Yarway, as appropriate based on the assets and liabilities retained or owed by each respectively, shall be authorized to compromise any controversies on such terms as each may determine, in its sole discretion, to be appropriate, without notice to any other party or approval of or notice to the Bankruptcy Court. Notwithstanding anything in Section 9.3 of the Plan to the contrary, neither Yarway nor Reorganized Yarway shall have any rights to pursue any Avoidance Actions against any Protected Party, or any other Entity.

4. Terms of Injunction and Automatic Stay

All of the injunctions and/or stays in existence immediately prior to the Confirmation Date provided for in or in connection with the Chapter 11 Case, whether pursuant to section 105, 362, or any other provision of the Bankruptcy Code, the Bankruptcy Rules or other applicable

law, shall remain in full force and effect until the injunctions set forth in the Plan become effective pursuant to a Final Order, and shall continue to remain in full force and effect thereafter as and to the extent provided by the Plan, the Confirmation Order, or by their own terms. For the avoidance of doubt, upon effectiveness of the injunctions set forth in the Plan, the automatic stay imposed by section 362 of the Bankruptcy Code shall be terminated. In addition, on and after the Confirmation Date, Reorganized Yarway may seek such further orders as it may deem necessary or appropriate to preserve the status quo during the time between the Confirmation Date and the Effective Date.

Each of the injunctions contained in the Plan or the Confirmation Order shall become effective on the Effective Date and shall continue in effect at all times thereafter unless otherwise provided by the Plan or the Confirmation Order.

5. No Liability for Certain Tax Claims

Unless a taxing authority has asserted a Claim against Yarway before any bar date established therefor, no Claim of such authority shall be Allowed against Yarway or Reorganized Yarway for taxes, penalties, interest, additions to tax, or other charges arising out of the failure, if any, of Yarway or any other Entity to have paid tax or to have filed any tax return (including, but not limited to, any income tax return or franchise tax return) in or for any prior year or arising out of an audit of any return for a period before the Petition Date.

6. No Successor Liability

Except as otherwise expressly provided in the Plan, Yarway, Reorganized Yarway, the other Protected Parties, and the Asbestos Personal Injury Trust do not, nor shall they be deemed to, assume, agree to perform, pay, or indemnify creditors for any liabilities or obligations of Yarway relating to or arising out of the operations of, or assets of, Yarway or Gimpel whether arising prior to or resulting from actions, events, or circumstances occurring or existing at any time prior to the Confirmation Date. None of Reorganized Yarway, the other Protected Parties, or the Asbestos Personal Injury Trust is, or shall be, a successor to Yarway by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character, except that Reorganized Yarway and the Asbestos Personal Injury Trust shall assume the obligations specified expressly in the Plan and the Confirmation Order.

E. Releases, Injunctions and Indemnification of Claims

1. Discharge of Yarway and Reorganized Yarway

Except as specifically provided in the Plan or in the Confirmation Order, pursuant to sections 524 and 1141(d)(1)(A) of the Bankruptcy Code, confirmation of the Plan shall discharge Yarway and Reorganized Yarway on the Effective Date from any and all Claims and Demands of any nature whatsoever, including, without limitation, all Claims and liabilities that arose before the Confirmation Date and all debts of the kind specified in sections 502(g), 502(h) and 502(i) of the Bankruptcy Code whether or not: (a) a Proof of Claim based on such Claim was filed under section 501 of the Bankruptcy Code, or such Claim was listed on any of Yarway's Schedules; (b) such Claim is or was allowed under section 502 of the Bankruptcy Code; or (c) the holder of such Claim has voted on or accepted the Plan. Except as otherwise specifically

provided for in the Plan, as of the Effective Date, the rights provided in the Plan to holders of Claims, Demands and Equity Interests shall be in exchange for and in complete satisfaction, settlement and discharge of all Claims (including, without limitation, Asbestos Personal Injury Claims) and Demands against, Liens on, and Equity Interests in Yarway, Reorganized Yarway and all of their respective assets and properties.

2. Yarway Discharge Injunction

Except as specifically provided in the Plan or the Confirmation Order, all Entities who have held, hold or may hold Claims or Demands against Yarway are permanently enjoined, on and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceeding of any kind against Yarway, Reorganized Yarway, or their respective property with respect to such Claim or Demand; (b) enforcing, attaching, collecting, or recovering by any manner or means of any judgment, award, decree, or order against Yarway, Reorganized Yarway, or their respective property with respect to such Claim or Demand; (c) creating, perfecting, or enforcing any Encumbrance of any kind against Yarway, Reorganized Yarway, or their respective property with respect to such Claim or Demand; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due to Yarway or against the property or interests in property of Yarway, with respect to such Claim or Demand; and/or (e) commencing or continuing any action, in any manner and in any place in the world, against Yarway, Reorganized Yarway, or their respective property that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. The foregoing injunction shall extend to the successors of Yarway (including, without limitation, Reorganized Yarway) and their respective properties and interests in property. Such discharge shall void any judgment obtained against Yarway at any time, to the extent that such judgment relates to a discharged Claim or Demand.

3. Asbestos Personal Injury Channeling Injunction

(a) Terms

Pursuant to section 524(g) of the Bankruptcy Code, from and after the Effective Date the sole recourse of any holder of an Asbestos Personal Injury Claim on account of such Asbestos Personal Injury Claim shall be to the Asbestos Personal Injury Trust pursuant to Section 10.3 of the Plan and the Asbestos Personal Injury Trust Distribution Procedures, and such holder shall have no right whatsoever at any time to assert its Asbestos Personal Injury Claim against any Protected Party or any property or interest in property of any Protected Party. On and after the Effective Date, all present and future holders of Asbestos Personal Injury Claims shall be permanently and forever stayed, restrained, barred and enjoined from taking any of the following actions for the purpose of, directly or indirectly or derivatively collecting, recovering, or receiving payment of, on, or with respect to any Asbestos Personal Injury Claim other than from the Asbestos Personal Injury Trust pursuant to the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures:

- (i) **commencing, conducting, or continuing in any manner, directly, indirectly or derivatively, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum in any jurisdiction around the world against or affecting any Protected Party or any property or interests in property of any Protected Party;**
- (ii) **enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Protected Party or any property or interests in property of any Protected Party;**
- (iii) **creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance against any Protected Party or any property or interests in property of any Protected Party;**
- (iv) **setting off, seeking reimbursement of, contribution from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability owed to any Protected Party or any property or interests in property of any Protected Party; and**
- (v) **proceeding in any manner in any place with regard to any matter that is within the scope of the matters designated by the Plan to be subject to resolution by the Asbestos Personal Injury Trust, except in conformity and compliance with the Asbestos Personal Injury Trust Agreement and the Asbestos Personal Injury Trust Distribution Procedures.**

(b) **Reservations**

The Asbestos Personal Injury Channeling Injunction shall not stay, restrain, bar, or enjoin:

- (i) **the rights of holders of Asbestos Personal Injury Claims to assert Asbestos Personal Injury Claims against the Asbestos Personal Injury Trust in accordance with the Asbestos Personal Injury Trust Distribution Procedures; and**
- (ii) **the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Asbestos Personal Injury Trust Expenses against the Asbestos Personal Injury Trust.**

4. Exculpation

None of the Exculpated Parties¹¹ shall have or incur any liability to any Entity for any act or omission in connection with, related to, or arising out of: (a) the Chapter 11 Case; (b) negotiation, formulation and preparation of the Plan and the other Plan Documents, and any of the terms and/or settlements and compromises reflected in the Plan and the other Plan Documents; (c) pursuit of confirmation of the Plan; (d) consummation of the Plan, or administration of the Plan or the property to be distributed under the Plan or the Asbestos Personal Injury Trust Distribution Procedures; (e) the releases and injunctions contained in the Plan; or (f) the management or operation of Yarway, except for any liability that results primarily from such Entity's willful misconduct or gross negligence as determined by a Final Order, and, in all respects, Yarway, Reorganized Yarway, and each of the other Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities in and under the Chapter 11 Case, the Plan and the Plan Documents. Without limiting the generality of the foregoing, the Exculpated Parties shall be entitled to and granted the protections and benefits of section 1125(e) of the Bankruptcy Code.

5. Releases by Yarway and Estate and Related Injunction

(a) Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, the adequacy of which is confirmed by the Plan, Yarway, Reorganized Yarway, and any Entity seeking to exercise the rights of the Estate, in each case, whether individually or collectively, including, without limitation, any successor to Yarway or any Estate representative appointed or selected pursuant to the applicable provisions of the Bankruptcy Code, shall, and shall be deemed to, completely and forever release, waive and discharge unconditionally the Tyco Released Parties¹² from any and all claims, obligations, suits, judgments, remedies, damages, Demands, debts, rights, Causes of Action and liabilities which any of Yarway, Reorganized Yarway, or the Estate is entitled to assert, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity or otherwise, whether direct, indirect, or derivative, based upon, attributable to, or arising out of, in whole or in part, any act or omission, transaction, or occurrence taking place on or prior to the Effective Date (including prior to the Petition Date) (other than the rights under the Plan, the Plan Documents, and the contracts, instruments, releases and other agreements or documents delivered or to be delivered hereunder), including, without limitation, the Tyco Released Party Claims.

(b) Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, the adequacy of which is confirmed by the Plan, Yarway, Reorganized Yarway, and any Entity seeking to exercise the rights of the

¹¹ "Exculpated Parties" is defined in the Plan as "(a) Yarway, (b) the Non-Debtor Affiliates, (c) the Asbestos Claimants Committee, solely in its capacity as such, (d) the Future Claimants' Representative, solely in his capacity as such, and (e) Representatives of any of the foregoing Entities, solely in their capacity as such."

¹² "Tyco Released Parties" is defined in the Plan as "(a) Tyco and the other Non-Debtor Affiliates, (b) the Settling Asbestos Insurers, solely in their capacity as such, (c) any Representative of the Entities set forth in (a) and (b) of this definition, and (d) any Tyco Representative."

Estate, in each case whether individually or collectively, including, without limitation, any successor to Yarway or any Estate representative appointed or selected pursuant to the applicable provisions of the Bankruptcy Code, shall, and shall be deemed to, completely and forever release, waive and discharge unconditionally the Released Parties¹³ (other than the Tyco Released Parties, which Parties are the subject of the release in the preceding subparagraph) from any and all claims, obligations, suits, judgments, remedies, damages, Demands, debts, rights, Causes of Action and liabilities which any of Yarway, Reorganized Yarway, or the Estate is entitled to assert, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity or otherwise, whether direct, indirect, or derivative, based upon, attributable to, arising out of, in whole or in part, any act or omission, transaction, or occurrence taking place on or prior the Effective Date (including prior to the Petition Date) (other than the rights under the Plan, the Plan Documents, and the contracts, instruments, releases and other agreements or documents delivered or to be delivered hereunder); provided, however, that nothing contained in subparagraph 10.5(b) of the Plan intended to operate as a release of any liability based upon gross negligence or willful misconduct as determined by a Final Order.

(c) Except as provided in the Plan or the Confirmation Order, Yarway, Reorganized Yarway, and any Entity seeking to exercise the rights of the Estate, in each case, whether individually or collectively, including, without limitation, any successor to Yarway or any Estate representative appointed or selected pursuant to the applicable provisions of the Bankruptcy Code, are permanently enjoined from taking any of the following actions on account of or based upon any and all Claims, obligations, suits, judgments, remedies, damages, Demands, debts, rights, Causes of Action and liabilities released pursuant to Section 10.5 of the Plan and/or the Yarway Release: (a) commencing or continuing any action or other proceeding against the Released Parties or the Tyco Released Parties or their respective property; (b) enforcing, attaching, collecting or recovering any judgment, award, decree or order against the Released Parties or the Tyco Released Parties or their respective property; (c) creating, perfecting or enforcing any Encumbrance against the Released Parties or the Tyco Released Parties or their respective property; (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Released Parties or the Tyco Released Parties or against their respective property; and (e) commencing or continuing any action, in any manner and in any place in the world, against the Released Parties or the Tyco Released Parties that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.

6. Certain Waivers

Although Yarway does not believe that California law is applicable to the Plan, nevertheless, in an abundance of caution, Yarway by the Plan understands and waives the effect of section 1542 of the California Civil Code to the extent that such section is applicable to Yarway or the Estate. Section 1542 of the California Civil Code provides:

¹³ “Released Parties” is defined in the Plan as “(a) Yarway; (b) the Asbestos Claimants Committee, solely in its capacity as such; (c) the Future Claimants’ Representative, solely in his capacity as such; and (d) any Representatives of the foregoing Entities, other than Tyco Representatives.”

§1542. A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

YARWAY AGREES TO ASSUME THE RISK OF ANY AND ALL UNKNOWN, UNANTICIPATED OR MISUNDERSTOOD DEFENSES, CLAIMS, CAUSES OF ACTION, CONTRACTS, LIABILITIES, INDEBTEDNESS AND OBLIGATIONS WHICH ARE RELEASED BY THE PLAN AND YARWAY BY THE PLAN WAIVES AND RELEASES ALL RIGHTS AND BENEFITS WHICH IT OR THE ESTATE MIGHT OTHERWISE HAVE UNDER THE AFOREMENTIONED SECTION 1542 OF THE CALIFORNIA CIVIL CODE WITH REGARD TO THE RELEASE OF SUCH UNKNOWN, UNANTICIPATED OR MISUNDERSTOOD DEFENSES, CLAIMS, CAUSES OF ACTION, CONTRACTS, LIABILITIES, INDEBTEDNESS AND OBLIGATIONS. TO THE EXTENT (IF ANY) ANY OTHER LAWS SIMILAR TO SECTION 1542 OF THE CALIFORNIA CIVIL CODE MAY BE APPLICABLE, YARWAY WAIVES AND RELEASES ANY BENEFIT, RIGHT OR DEFENSE WHICH IT OR THE ESTATE MIGHT OTHERWISE HAVE UNDER ANY SUCH LAW WITH REGARD TO THE RELEASE OF UNKNOWN, UNANTICIPATED OR MISUNDERSTOOD DEFENSES, CLAIMS, CAUSES OF ACTION, CONTRACTS, LIABILITIES, INDEBTEDNESS AND OBLIGATIONS.

7. Disallowed Claims

On and after the Effective Date, Yarway and the Estate shall be fully and finally discharged from any liability or obligation on a Disallowed Claim, and any order creating a Disallowed Claim that is not a Final Order as of the Effective Date solely because of an Entity's right to move for reconsideration of such order pursuant to section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless become and be deemed to be a Final Order on the Effective Date. The Confirmation Order, except as otherwise provided therein or in the Plan, shall constitute an order: (a) disallowing all Claims (other than Asbestos Personal Injury Claims) to the extent such Claims are not allowable under any provision of section 502 of the Bankruptcy Code, including, but not limited to, time-barred Claims, and Claims for unmatured interest, and (b) disallowing or subordinating, as the case may be, any Claims, or portions of Claims, for penalties or non-compensatory damages.

8. Indemnification Obligations

(a) Indemnification of Yarway Related Parties

As of the Effective Date, both Reorganized Yarway and the Asbestos Personal Injury Trust will, pursuant to the Asbestos Claims Indemnification Agreement, which shall be substantially in the form attached to the Plan as Exhibit H, indemnify, release and hold harmless each of the Non-Debtor Affiliates and the Representatives of Yarway entitled to indemnification by Tyco or any Non-Debtor Affiliate, or for which Tyco or any Non-Debtor Affiliate provides

insurance coverage, and the Representatives of the Non-Debtor Affiliates in respect of any liability, obligation, fee, judgment, settlement, or expense, including, without limitation, legal fees and expenses, arising from or incurred in connection with any action based upon, attributable to, or arising out of an Asbestos Personal Injury Claim or any violation of the Asbestos Personal Injury Channeling Injunction by any Entity.

(b) Indemnification and Reimbursement of Certain Representatives

For purposes of the Plan, the obligations of Yarway to indemnify and reimburse persons who are or were directors, officers, or employees of Yarway on the Petition Date or at any time thereafter against and for any obligations as provided in Yarway's certificate of incorporation, by-laws, applicable state law, or other agreement, or any combination of the foregoing, shall survive confirmation of the Plan, remain unaffected thereby, and not be discharged in accordance with section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with an event occurring before, on, or after the Petition Date. Such obligations shall be assumed by Reorganized Yarway on the Effective Date. In furtherance of the foregoing, Reorganized Yarway shall use its commercially reasonable efforts to maintain or procure, as of the Effective Date, insurance for the benefit of such directors, officers, or employees at levels satisfactory to Reorganized Yarway and the Asbestos Personal Injury Trust.

F. Miscellaneous Provisions

1. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), or an Exhibit to the Plan, or an instrument, agreement or other document executed in connection with the Plan provides otherwise, the rights, duties and obligations arising under the Plan, and the instruments, agreements and other documents executed in connection with the Plan, shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

2. Inconsistencies

To the extent the Plan is inconsistent with either the Disclosure Statement or the other Plan Documents, the provisions of the Plan shall be controlling. To the extent the Plan is inconsistent with the Confirmation Order, the provisions of the Confirmation Order shall be controlling.

3. Tax Reporting and Compliance

In connection with the Plan and all instruments issued in connection therewith and Distributions thereon, Yarway and Reorganized Yarway shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all Distributions hereunder shall be subject to any such withholding and reporting requirements. No holder of an Allowed Claim against Yarway shall effectuate any withholding with respect to the cancellation or satisfaction of such Allowed Claim under the Plan. Reorganized Yarway is

authorized under the Plan to request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all taxable periods of Yarway ending after the Petition Date through and including the Effective Date of the Plan.

4. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date if then due, or otherwise as and when due.

5. Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, pledge or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan shall be exempt from all stamp, transfer, or similar taxes, as provided in section 1146(a).

6. Recordable Order

Upon Confirmation of the Plan, the Confirmation Order shall be deemed to be in recordable form, and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications, or other supporting documents.

7. Binding Effect

The rights, benefits and obligations of any Entity named or referred to in the Plan, or whose actions may be required to effectuate the terms of the Plan, shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity (including, but not limited to, any trustee appointed for Yarway under Chapters 7 or 11 of the Bankruptcy Code). The Confirmation Order shall provide that the terms and provisions of the Plan and the Confirmation Order shall survive and remain effective after entry of any order which may be entered converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code, and the terms and provisions of the Plan shall continue to be effective in the Chapter 11 Case or any superseding case under the Bankruptcy Code.

8. Severability

After the Effective Date, any provision of the Plan, the Plan Documents, the Confirmation Order, or any of the Exhibits to the Plan that is determined to be prohibited, unenforceable, or invalid by a court of competent jurisdiction or any other governmental Entity with appropriate jurisdiction may be deemed ineffective as to any jurisdiction in which such provision is prohibited, unenforceable, or invalidated to the extent of such prohibition, unenforceability, or invalidation, without invalidating the effectiveness of the remaining provisions of the Plan, the Plan Documents, the Confirmation Order, and the Exhibits to the Plan or affecting the validity or enforceability of such provision and such remaining provisions in any other jurisdiction.

9. Further Authorizations

The Plan Proponents, as applicable, and, after the Effective Date, the Asbestos Personal Injury Trust, if and to the extent necessary, may seek such orders, judgments, injunctions, and rulings as each deems necessary to carry out further the intentions and purposes of, and to give full effect to the provisions of, the Plan.

10. General Statements

Statements of a general nature set forth in the Plan shall not be construed to limit or restrict the specific provisions therein.

11. Entire Agreement

The Plan Documents set forth the entire agreement and undertakings relating to the subject matter thereof and supersede all prior discussions, negotiations, understandings and documents. No Entity shall be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter of the Plan Documents other than as expressly provided for in the Plan or the other Plan Documents or as may hereafter be agreed to by the affected parties in writing.

12. Headings

The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions thereof.

13. Modification of the Plan

The Plan Proponents, with the consent of the Asbestos Claimants Committee and the Future Claimants' Representative, which consent may not be unreasonably withheld, may alter, amend, or modify the Plan or any Exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date and may include any such amended Exhibits in the Plan, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Plan Proponents shall have complied with section 1125 of the Bankruptcy Code, to the extent necessary. Further, the Plan Proponents, with the consent of the Asbestos Claimants Committee and the Future Claimants' Representative, which consent may not be unreasonably withheld, may alter, amend, or modify the Plan or any Exhibits thereto at any time after entry of the Confirmation Order and before the Plan's substantial consummation, provided that: (a) the Plan, as modified, altered, or amended, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and (b) the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified, under section 1129 of the Bankruptcy Code, and finds that the circumstances warrant such modification. A holder of a Claim that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan as modified, unless, within the time fixed by the Bankruptcy Court, if any, such holder changes its previous acceptance or rejection, to the extent such holder is afforded the opportunity to do so under section 1127(d) of the Bankruptcy Code.

After the Effective Date, Reorganized Yarway, Tyco, or the Asbestos Personal Injury Trust, as applicable, may remedy any defects or omissions or reconcile any inconsistencies in the Plan Documents for the purpose of implementing the Plan in such manner as may be necessary to carry out the purposes and intent of the Plan, so long as the interests of the holders of Allowed Claims and other applicable parties-in-interest are not adversely affected thereby.

Notwithstanding anything in Section 12.2 of the Plan, there shall be no modification to the Plan made at any time that would reduce or eliminate any of the protections provided therein, or in the releases provided thereunder, to the Protected Parties, without the consent of Tyco and Yarway.

14. Failure to Achieve the Effective Date

If each of the conditions to the Effective Date is not met or duly waived in accordance with Section 11.3 of the Plan, then upon motion by the Plan Proponents, with the consent of the Asbestos Claimants Committee and Future Claimants' Representative, which consent shall not be unreasonably withheld, and notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court. If (a) the Plan Proponents revoke or withdraw the Plan, (b) the Confirmation Order is vacated, (c) the Plan is otherwise not confirmed by a Final Order, or (d) the Plan is confirmed and does not become effective for any other reason, then the rights of all parties in interest in the Chapter 11 Case are and shall be reserved in full. In any such event, the Plan shall become null and void in all respects; any settlement or compromise embodied in the Plan, any assumption or rejection of Executory Contracts effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and nothing contained in the Plan or the Confirmation Order, if previously entered, and no acts taken in preparation for consummation of the Plan, shall: (a) constitute or be deemed to constitute a waiver, release or settlement of any Claims by or against, or any Equity Interests in, Yarway or any other Entity, (b) prejudice in any manner the rights of Yarway or any Entity in any further proceedings involving Yarway; or (c) constitute an admission of any sort by Yarway or any other Entity.

IX. CONFIRMATION OF THE PLAN

A. Class Acceptance Requirement

Acceptance of the Plan by Class 4 shall be determined in accordance with sections 524(g) and 1126 of the Bankruptcy Code and the terms of the Solicitation Procedures Order. Acceptance of the Plan by Class 5 shall be determined in accordance with section 1126 of the Bankruptcy Code and the Solicitation Procedures Order.

B. Issuance of Injunction Pursuant to Section 524(g) of the Bankruptcy Code

The Bankruptcy Court shall be asked to issue the Asbestos Personal Injury Channeling Injunction if the Plan has been accepted by at least two-thirds (2/3) in amount of those holders of Class 4 Claims actually voting on the Plan, in accordance with section 1126(c) of the Bankruptcy Code, and seventy-five percent (75%) in number of those holders of Class 4 Claims actually voting on the Plan, in accordance with section 524(g)(2)(B)(ii)(IV)(bb) of the Bankruptcy Code.

The amount of the Claim for each Class 4 Claim holder for voting purposes shall be as set forth in the Solicitation Procedures Order.

If the Bankruptcy Court or the District Court does not enter the Asbestos Personal Injury Channeling Injunction, the Effective Date shall not occur.

C. Cramdown

With respect to any Impaired Class of Claims or Equity Interests that fails to accept the Plan in accordance with section 1129(a) of the Bankruptcy Code, the Plan Proponents request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code with respect to such non-accepting Classes, in which case or cases the Plan shall constitute a motion for such relief, which shall be considered at the Confirmation Hearing.

D. General Requirements of Section 1129

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in section 1129 of the Bankruptcy Code have been satisfied:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means proscribed by law.
4. Any payment made or promised by either of the Plan Proponents or by a person acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable or, if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.
5. The Plan Proponents have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of Yarway, affiliates of Yarway participating in the Plan with Yarway, or successor to Yarway under the Plan, and the appointment to, or continuance in, such office of such individual(s) is consistent with the interests of creditors and equity security holders and with public policy, and the Plan Proponents have disclosed the identity of any insider that will be employed or retained by Yarway, and the nature of any compensation for such insider.
6. With respect to each Class of Claims or Equity Interests, each holder of an Impaired Claim or Impaired Equity Interest either has accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the

amount such holder would receive or retain if Yarway were liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. See discussion of “Best Interests of Creditors Test,” below.

7. Each Class of Claims or Equity Interests has either accepted the Plan or is not Impaired under the Plan.
8. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expense Claims and Priority Claims will be paid in full on the Effective Date and that Priority Tax Claims will be paid in full on the Effective Date or thereafter or receive on account of such Claims regular installments of Cash payments, over a period not exceeding five years after the date of the order for relief, of a value, as of the Effective Date, equal to the Allowed amount of such Claims, and in a manner no less favorable than the most favored nonpriority unsecured Claim provided for by the Plan.
9. At least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Class.
10. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of Yarway or any successor to Yarway under the Plan.

E. Feasibility Of The Plan

In connection with confirmation of the Plan, the Bankruptcy Court will be required to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor.

To support their belief in the feasibility of the Plan, the Plan Proponents have relied upon the Projections, which are annexed to this Disclosure Statement as Exhibit 2.

The Projections indicate that the Reorganized Debtor should have sufficient cash flow to fund its operations. Accordingly, the Plan Proponents believes that the Plan complies with the financial feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

The Projections cover the operations of the Reorganized Debtor through fiscal year 2018. The Projections are based on various assumptions, including confirmation and consummation of the Plan in accordance with its terms; realization of the operating strategy of the Reorganized Debtor; no material adverse changes in general business and economic conditions; and other matters, some of which will be beyond the control of the Reorganized Debtor.

Although they are presented with numerical specificity and are based on assumptions considered reasonable by the Debtor, the assumptions and estimates underlying the Projections are subject to business and economic uncertainties, some of which will be beyond the control of

the Reorganized Debtor. Accordingly, the Projections are only estimates and are necessarily speculative in nature. It can be expected that actual results may vary from the Projections, which variations may be material and may increase over time. The Debtor does not intend to update or otherwise revise the Projections. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections. The Projections were not prepared in accordance with standards for projections promulgated by the American Institute of Certified Public Accountants or with a view to compliance with published guidelines of the SEC regarding projections or forecasts. The Projections have not been audited, reviewed, or compiled by the Debtor's independent public accountants. The projected financial information contained in this Disclosure Statement should not be regarded as a representation or warranty by the Plan Proponents, the Debtor's advisors, or any other Person that the Projections can or will be achieved.

The Projections should be read in conjunction with Article X below, entitled "Certain Risk Factors to Be Considered," and with the assumptions, qualifications and footnotes to the tables containing the Projections set forth in Exhibit 2 to the Disclosure Statement.

F. Best Interests of Creditors Test

Even if a plan is accepted by each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the best interests of all holders of claims or interests that are impaired by the plan and that have not accepted the plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the Debtor were liquidated under chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from the Debtor's assets if its Chapter 11 Case were converted to a case under chapter 7 of the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a sale of the Debtor's assets by a chapter 7 trustee.

The amount of liquidation value available to unsecured creditors would be reduced by the claims of any secured creditors to the extent of the value of their collateral, by the costs and expenses of liquidation, and by other administrative expenses and costs of both the chapter 7 case and the Chapter 11 Case. Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, all unpaid expenses incurred by the Debtor in the Chapter 11 Case (such as compensation of attorneys, financial advisors, and accountants) that are allowed in the chapter 7 case, litigation costs, and any claims arising from the operations of the Debtor during the pendency of the Chapter 11 Case.

Once the bankruptcy court ascertains the recoveries in liquidation of secured creditors and priority claimants, if any, it must determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If

such probable distribution has a value greater than the distributions to be received by such creditors and equity security holders under the plan, then the plan is not in the best interests of creditors and equity security holders.

Here, the Plan is in the best interests of claimants and Demand holders, and meets the requirements of section 1129(a)(7) of the Bankruptcy Code. The Plan Proponents expect that there will be substantially more assets available to pay holders of Claims under the Plan than would be the case if there were no Plan because of, among other reasons, the Tyco Contribution. The Plan is the result of an extensively negotiated settlement which avoids costly and time-consuming litigation which would deplete the funds available for creditors. The Asbestos Claimants Committee and the Future Claimants' Representative conducted extensive diligence both prior to and since the Petition Date, vetted and negotiated the Settlement, and support confirmation of the Plan. All of these factors demonstrate that the Plan provides greater recoveries to creditors and Demand holders than would be realized in a chapter 7 liquidation, the costs of which would deplete much of the recoveries from the liquidation of the Debtor's assets.

G. Conditions to Confirmation and Consummation of the Plan

1. Conditions Precedent to Confirmation of the Plan

The following are conditions precedent to confirmation of the Plan that are designed, among other things, to ensure that the injunctions, releases and discharges set forth in Article X thereof shall be effective, binding and enforceable and that must be satisfied, unless waived in accordance with Section 11.3 of the Plan:

- (a) The Bankruptcy Court shall have entered an order, acceptable in form and substance to the Plan Proponents, approving the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.
- (b) The Confirmation Order shall be acceptable in form and substance to the Plan Proponents, the Asbestos Claimants Committee, and the Future Claimants' Representative.
- (c) The Confirmation Order shall, among other things:
 - i. order that the Confirmation Order shall supersede any Bankruptcy Court orders issued prior to the Confirmation Date that may be inconsistent with the Confirmation Order;
 - ii. provide that, except with respect to obligations specifically preserved in the Plan, Yarway is discharged effective on the Effective Date (in accordance with the Plan) from any Claims and Demands, and Yarway's liability in respect thereof, whether reduced to judgment or contingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, or known or unknown, that arose from any agreement of Yarway entered into or obligation of Yarway incurred before the Effective Date, or from any conduct of Yarway prior to the Effective

Date, whether such liability accrued before or after the Petition Date, is extinguished completely;

- iii. authorize the implementation of the Plan in accordance with its terms;
- iv. approve the Asbestos Personal Injury Channeling Injunction set forth in the Plan;
- v. provide that the Asbestos Personal Injury Trust shall receive the Reorganized Yarway Common Stock as of the Effective Date;
- vi. provide that the Asbestos Personal Injury Trust and Reorganized Yarway shall execute and deliver the Asbestos Claims Indemnification Agreement;
- vii. provide that all transfers of assets of Yarway contemplated under the Plan shall be free and clear of all Claims and Encumbrances against or on such assets;
- viii. except as otherwise provided in the Plan or Confirmation Order, provide that the assets reverting in Reorganized Yarway shall be free and clear of all Claims and Encumbrances;
- ix. provide that any transfers effected or entered into, or to be effected or entered into, under the Plan shall be and are exempt under section 1146(a) of the Bankruptcy Code from any state, city or other municipal transfer taxes, mortgage recording taxes and any other stamp or similar tax;
- x. provide that the transfers of property by Yarway to Reorganized Yarway (A) are or will be legal, valid, and effective transfers of property; (B) vest or will vest Reorganized Yarway with good title to such property; (C) do not and will not constitute avoidable transfers under the Bankruptcy Code or under other applicable bankruptcy or non-bankruptcy law; and (D) do not and will not subject Reorganized Yarway to any liability by reason of such transfer under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, any laws affecting or effecting successor or transferee liability;
- xi. provide that all Executory Contracts assumed or assumed and assigned by Yarway during the Chapter 11 Case or under the Plan, if any, shall remain in full force and effect for the benefit of Reorganized Yarway or the assignee thereof notwithstanding any provision in such contract (including those provisions described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits such assignment or transfer or that enables or requires termination of such contract or lease;
- xii. require that as a condition to receiving any distributions of any kind from the Asbestos Personal Injury Trust, each holder of an Asbestos Personal Injury Claim execute the Asbestos Personal Injury Claimant Release; and

- xiii. approve in all respects the other settlements, transactions and agreements to be effected pursuant to the Plan, including, without limitation, the Asbestos Personal Injury Trust Agreement, the Asbestos Personal Injury Trust Distribution Procedures, and the other Asbestos Personal Injury Trust Documents, and the releases of the Yarway Released Parties and Tyco Released Parties contained in the Plan.

(d) In addition to the foregoing, the Confirmation Order shall contain the following findings of fact and conclusions of law, among others:

- i. The Plan complies with all applicable provisions of the Bankruptcy Code, including, without limitation, those requiring that the Plan be proposed in good faith and that the Confirmation Order not be procured by fraud;
- ii. The Plan and its acceptance otherwise comply with sections 524(g) and 1126 of the Bankruptcy Code, and confirmation of the Plan is in the best interests of all creditors;
- iii. The Plan does not provide for the liquidation of all or substantially all of the property of Yarway, Reorganized Yarway will continue in business as a Reorganized Debtor, and confirmation of the Plan is not likely to be followed by the liquidation of Reorganized Yarway or the need for further financial reorganization;
- iv. As of the Petition Date, Yarway had been named as a defendant in personal injury, wrongful death or property damage actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products;
- v. Upon the Effective Date, the Asbestos Personal Injury Trust shall assume the liabilities of Yarway with respect to Asbestos Personal Injury Claims;
- vi. The Asbestos Personal Injury Trust is to be funded by contribution of the Asbestos Personal Injury Trust Assets, including the Yarway Contribution and the Tyco Contribution;
- vii. The Asbestos Personal Injury Trust will on the Effective Date own one hundred percent (100%) of the Reorganized Yarway Common Stock and all rights to receive dividends or other distributions on account of such stock;
- viii. The Asbestos Personal Injury Trust is to use its assets and income to pay Asbestos Personal Injury Claims and Asbestos Personal Injury Trust Expenses;
- ix. Yarway is likely to be subject to substantial future Demands for payment arising out of the same or similar conduct or events that gave rise to the

Asbestos Personal Injury Claims, and all such Demands are subject to the Asbestos Personal Injury Channeling Injunction;

- x. The actual amounts, numbers, and timing of Demands cannot be determined;
- xi. Pursuit of Demands outside the procedures prescribed by the Plan and the Asbestos Personal Injury Trust Distribution Procedures is likely to threaten the Plan's purpose to deal equitably with Asbestos Personal Injury Claims;
- xii. The Plan separately classifies Asbestos Personal Injury Claims in Class 4, and at least two-thirds (2/3) in amount and seventy-five percent (75%) of the members in such Class that actually voted on the Plan have voted to accept the Plan;
- xiii. The Asbestos Personal Injury Trust will have the sole and exclusive authority as of the Effective Date to satisfy or defend against all Asbestos Personal Injury Claims;
- xiv. Pursuant to: (a) the Asbestos Personal Injury Trust Distribution Procedures; (b) court order; or (c) otherwise, the Asbestos Personal Injury Trust will operate through mechanisms such as structured, periodic, or supplemental payments, pro rata distributions, matrices, or periodic review of estimates of the numbers and values of Asbestos Personal Injury Claims or other comparable mechanisms, that provide reasonable assurance that the Asbestos Personal Injury Trust will value, and be in a financial position to pay, current and future Asbestos Personal Injury Claims in substantially the same manner regardless of the timing of the assertion of such Asbestos Personal Injury Claims;
- xv. The Future Claimants' Representative was appointed by the Bankruptcy Court pursuant to section 524(g) of the Bankruptcy Code as part of the proceedings leading to the issuance of the Asbestos Personal Injury Channeling Injunction for the purpose, among other things, of protecting the interests of Future Demand Holders;
- xvi. The Asbestos Personal Injury Channeling Injunction is to be implemented in accordance with the Plan and the Asbestos Personal Injury Trust;
- xvii. The Asbestos Personal Injury Channeling Injunction is essential to the Plan and Yarway's reorganization efforts;
- xviii. The terms of the Asbestos Personal Injury Channeling Injunction and the other injunctions contained in the Plan, including any provisions barring actions against third parties, are set forth in the Plan and the Disclosure Statement;

- xix. The Tyco Contribution is essential to the feasibility of the Plan and the successful reorganization of Yarway;
- xx. The Yarway Contribution and Tyco Contribution collectively constitute a sufficient basis upon which to provide the Protected Parties with the protections afforded to them under the Plan, Plan Documents and Confirmation Order;
- xxi. In light of the benefits provided, or to be provided, to the Asbestos Personal Injury Trust by or on behalf of each Protected Party, the Asbestos Personal Injury Channeling Injunction is fair and equitable to all holders of current and future Asbestos Personal Injury Claims (including Demands); and
- xxii. The release received by Yarway, Representatives of Yarway, and the Tyco Released Parties in exchange for the Yarway Contribution and Tyco Contribution is essential to the global settlement of Asbestos Personal Injury Claims arising from the conduct or products of Yarway reflected in the Plan.

2. Conditions Precedent to the Effective Date of the Plan

The following are conditions precedent to occurrence of the Effective Date of the Plan that must be satisfied, unless waived in accordance with Section 11.3 of the Plan:

- (a) All conditions precedent to the Confirmation Date shall have been satisfied or waived and shall continue to be satisfied or waived, and the Confirmation Date shall have occurred on or before April 30, 2015 unless otherwise mutually agreed by Yarway, Tyco, the Asbestos Claimants Committee, and the Future Claimants' Representative;
- (b) The Confirmation Order, in form and substance acceptable to the Plan Proponents, the Asbestos Claimants Committee, and the Future Claimants' Representative, shall have been entered by the Bankruptcy Court and affirmed by the District Court or issued by the District Court;
- (c) No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending;
- (d) No fact or circumstance shall exist that would prevent the Asbestos Personal Injury Channeling Injunction from coming into full force and effect immediately upon the occurrence of the Effective Date;
- (e) The Asbestos Claims Indemnification Agreement shall have been executed and delivered, and no fact or circumstance shall exist that prevents the Asbestos Claims Indemnification Agreement from being in full force and effect immediately upon the occurrence of the Effective Date;

- (f) No fact or circumstance shall prevent the Asbestos Personal Injury Trust from being funded by the Yarway Contribution and the Tyco Contribution upon occurrence of the Effective Date;
- (g) All Plan Documents shall have been executed and delivered; and
- (h) All other actions, documents and agreements necessary to implement those provisions of the Plan to be effectuated on or prior to the Effective Date, in form and substance satisfactory to the Plan Proponents, shall have been effected or executed and delivered; and

3. Waiver of Conditions Precedent

To the fullest extent permitted by law, any of the conditions precedent set forth in Sections 11.1 and 11.2 of the Plan may be waived or modified, in whole or in part, by the Plan Proponents with the consent of the Asbestos Claimants Committee and Future Claimants' Representative (which consent shall not be unreasonably withheld). Any such waiver or modification may be effected at any time without leave or order of the Bankruptcy Court or District Court, and without any other formal action.

X. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HERewith AND/OR INCORPORATED BY REFERENCE HEREIN), PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION, OR ALTERNATIVES TO THE PLAN.

A. Risk Factors

1. Overall Risks to Recovery by Holders of Claims

The ultimate recoveries under the Plan to holders of Claims depend upon a number of factors. Prior to voting on the Plan, each holder of a Claim should consider carefully the risk factors specified or referred to below, including the exhibits annexed hereto, as well as all of the information contained in the Plan.

2. Certain Bankruptcy Considerations

Although the Plan Proponents believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no guarantee that the Bankruptcy Court will reach the same conclusion, or that the Confirmation Order, if challenged on appeal, will be affirmed. There also can be no assurance that the Plan as proposed will be accepted by the requisite number of holders or amounts of Claims, that modifications to the Plan will not be required for confirmation, that any such modifications will not necessitate the re-solicitation of

votes, or that the Bankruptcy Court will enter an order confirming the Plan containing the findings of fact and conclusions of law that are conditions precedent to confirmation of the Plan. In addition, although the Plan Proponents believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing. There can also be no assurance that the District Court will accept and affirm or issue the order confirming the Plan, that such acceptance and affirmance or issuance will become a Final Order and that the Asbestos Personal Injury Channeling Injunction will therefore become valid and enforceable.

If the Plan is not confirmed or the Chapter 11 Case becomes protracted, there is no assurance that the Asbestos Personal Injury Trust Contributions will be made. In addition, if the Plan is not confirmed and consummated, there can be no assurance that the Chapter 11 Case will continue rather than be converted to a liquidation, or that any alternative plan of reorganization would be on terms as favorable to the holders of Claims as the terms of the Plan. If a liquidation or protracted reorganization were to occur, there is a substantial risk that the value of Yarway's assets would be substantially eroded to the detriment of all stakeholders.

3. Projected Financial Information

The Projections are dependent upon numerous assumptions, including confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of Reorganized Yarway, general business and economic conditions, and other matters, many of which are beyond the control of the Plan Proponents. Accordingly, there can be no assurance that such assumptions will prove to be valid. In addition, unanticipated and unforeseeable events and/or circumstances occurring subsequent to the preparation of the Projections may affect the actual financial results of Reorganized Yarway. Although Yarway believes that the Projections are reasonable and attainable, some or all of the estimates will vary, and variations between the actual financial results and those projected may be material.

4. Appointment of a Different Asbestos Personal Injury Trustee(s) and/or Different Members of the Asbestos Personal Injury Trust Advisory Committee for the Asbestos Personal Injury Trust

Prior to the Confirmation Hearing, the Asbestos Claimants Committee and the Future Claimants' Representative shall identify a certain individual or individuals as the initial Asbestos Personal Injury Trustee(s) of the Asbestos Personal Injury Trust, and the Asbestos Claimants Committee will propose certain individuals as the initial members of the Asbestos Personal Injury Trust Advisory Committee. The Bankruptcy Court, however, may reject or otherwise decline to approve the appointment of such proposed Asbestos Personal Injury Trustee(s), or one or more of the proposed members of the Asbestos Personal Injury Trust Advisory Committee. In that case, an alternate Asbestos Personal Injury Trustee(s) and/or alternative proposed members of the Asbestos Personal Injury Trust Advisory Committee would have to be nominated, potentially resulting in significant delays in the occurrence of the Confirmation Date and Effective Date. The selection of a different Asbestos Personal Injury Trustee(s) or different Asbestos Personal Injury Trust Advisory Committee members also could materially affect administration of the Asbestos Personal Injury Trust.

5. Distributions under the Asbestos Personal Injury Trust Distribution Procedures

Payments that will be made on Asbestos Personal Injury Claims will be determined under the Asbestos Personal Injury Trust Distribution Procedures and will be based, on the one hand, on estimates of the number, types, and amount of current and expected future Asbestos Personal Injury Claims, and on the other hand, on the value of the assets of the Asbestos Personal Injury Trust, the liquidity of the Asbestos Personal Injury Trust, the Asbestos Personal Injury Trust's expected future income and expenses, and other matters that are likely to affect the sufficiency of funds to pay all holders of Asbestos Personal Injury Claims. There can be no certainty as to the precise amounts that will be distributed by the Asbestos Personal Injury Trust in any particular time period or when Asbestos Personal Injury Claims will be paid by the Asbestos Personal Injury Trust.

6. The Asbestos Personal Injury Channeling Injunction

The Asbestos Personal Injury Channeling Injunction, which, among other things, bars the assertion of any current and future Asbestos Personal Injury Claims against Yarway and the other Protected Parties, is a necessary element of the Plan. In 1994, Congress added subsections (g) and (h) to section 524 of the Bankruptcy Code in order to confirm the authority of the Bankruptcy Court, subject to the conditions specified therein, to issue injunctions such as the Asbestos Personal Injury Channeling Injunction with respect to present and future asbestos-related personal injury, wrongful death and related Claims and Demands. Although the Plan, the Asbestos Personal Injury Trust Agreement, and the Asbestos Personal Injury Trust Distribution Procedures all have been drafted with the intention of complying with sections 524(g) and (h) of the Bankruptcy Code, and satisfaction of the conditions imposed by sections 524(g) and (h) is a condition precedent to confirmation of the Plan, there is no guarantee that the validity and enforceability of the Asbestos Personal Injury Channeling Injunction or sections 524(g) and (h) or the application of the Asbestos Personal Injury Channeling Injunction to Asbestos Personal Injury Claims will not be challenged, either before or after confirmation of the Plan.

**XI. ALTERNATIVES TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

The Plan Proponents believe that the Plan affords holders of Claims the greatest opportunity for recovery on account of their Claims and, therefore, is in the best interests of such holders. If the Plan is not confirmed, however, the hypothetical alternatives include (a) liquidation of the Debtor under chapter 7 of the Bankruptcy Code, or (b) an alternative plan of reorganization.

A. Liquidation Under Chapter 7 or Chapter 11

If no plan can be confirmed, the Chapter 11 Case could be converted to a case under chapter 7 of the Bankruptcy Code in which a trustee would be appointed to liquidate the remaining assets of the Debtor for distribution to the creditors in accordance with the priorities established by the Bankruptcy Code. The trustee would retain professionals and liquidate the Debtor's remaining assets, and if necessary, investigate and pursue causes of action. The Plan

Proponents believe that the conversion of the case to chapter 7 would increase the costs of administration, and reduce and delay the distribution to holders of Allowed Claims. Any proceeds available to satisfy Claims would be paid in the priority established in the Bankruptcy Code. Under a chapter 7 liquidation, the Debtor believes that any recovery to the holders of Asbestos Personal Injury Claims in a chapter 7 case would be less than that provided for under the Plan. For these reasons, the Debtor has concluded that holders of Allowed Claims are more likely than not to receive an amount under the Plan that is more than the amount such holder would receive under a chapter 7 liquidation.

B. Alternative Plan(s) of Reorganization

If the Plan is not confirmed, the Debtor or another party-in-interest could attempt to formulate a different plan. Such a plan might involve a reorganization, an orderly liquidation of assets, or some combination of both.

The Plan Proponents believe that the Debtor remaining a debtor-in-possession during a lengthy chapter 11 process while trying to further negotiate a plan will erode assets to be used for distribution to holders of Allowed Claims. The Plan Proponents believe that the Plan, which is the result of extensive negotiations among the Plan Proponents, the Asbestos Claimants Committee, the Future Claimants' Representative and their advisors, enables holders of Claims to realize the greatest possible value under the circumstances and that, compared to any later alternative plan of reorganization, the Plan has the greatest chance to be confirmed and consummated.

XII. VOTING PROCEDURES AND RESULTS

A. Parties in Interest Entitled to Vote

Detailed voting instructions are provided with the Ballots and Master Ballots accompanying this Disclosure Statement. For purposes of the Plan, the following Classes are the only Classes entitled to vote:

Class	Description
4	Asbestos Personal Injury Claims
5	Intercompany Claims

For purposes of the Plan, the following Classes are NOT entitled to vote:

Class	Description
1	Priority Claims
2	Secured Claims
3	General Unsecured Claims
6	Equity Interests

If your Claim is not in Class 4 or Class 5, you are not entitled to vote on the Plan and you will not receive Ballots or Master Ballots with this Disclosure Statement. If you are a holder of a

Claim in Class 4 or Class 5, you should read your Ballots and/or Master Ballots and follow the listed instructions carefully. Please use only the Ballots or Master Ballots that accompanies this Disclosure Statement.

IF YOU HAVE ANY QUESTIONS CONCERNING THE BALLOTS, YOU MAY CONTACT THE BALLOTING AGENT:

Yarway Balloting Agent
c/o Logan & Company, Inc.
546 Valley Road
Upper Montclair, NJ 07043
Telephone: (973) 509-3190
Facsimile: (973) 509-1131

B. Vote Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan by a Class of Claims is determined by calculating the number and the amount of Claims voting to accept, based on the total of allowed Claims actually voting. Typically, acceptance requires an affirmative vote of more than one-half (1/2) in number of the total allowed Claims voting and two-thirds (2/3) in amount of the total allowed Claims voting. However, section 524(g)(2)(B)(ii)(IV)(bb) of the Bankruptcy Code provides that, for a debtor to establish a trust to assume its liabilities for asbestos-related personal injury, wrongful death, and/or property damage claims and receive the benefit of an injunction that channels liability for such claims to such a trust, at least seventy-five percent (75%) in number of the holders of claims that are to be addressed by the trust must vote to accept the plan. Accordingly, it is a condition to confirmation of the Plan that at least seventy-five percent (75%) of the holders of Asbestos Personal Injury Claims (Class 4) who actually vote on the Plan must have voted to accept the Plan and two-thirds (2/3) in amount of the holders of Asbestos Personal Injury Claims who actually vote on the Plan must have voted to accept the Plan.

C. Classes Deemed to Accept

Under the Bankruptcy Code, holders of Claims that are Unimpaired by the Plan are deemed to accept the Plan and solicitation of such holders is not required. Because Claims in Class 1 (Priority Claims), Class 2 (Secured Claims) and Class 3 (General Unsecured Claims) are Unimpaired under the Plan, the holders thereof are deemed to accept the Plan, and are not entitled to vote.

D. Voting

In order for your vote to be counted, your Ballots and Master Ballots must be properly completed in accordance with the voting instructions included with such Ballots and Master Ballots and actually received by the Balloting Agent no later than the Voting Deadline of _____, 2015 at 4:00 p.m. (ET):

If by hand delivery, by overnight courier or by first class mail:

Yarway Balloting Agent
c/o Logan & Company, Inc.
546 Valley Road
Upper Montclair, NJ 07043

If the instructions on your Ballot require you to return the Ballot to your attorneys, you must deliver your Ballot to your attorneys in sufficient time for them to process it and return it to the Balloting Agent before the Voting Deadline. If a Ballot is damaged or lost, you may contact the Balloting Agent at (973) 509-3190. Any Ballot that is executed and returned but which does not indicate an acceptance or rejection of the Plan will not be counted.

E. Waivers of Plan Defaults, Irregularities, Etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots or Master Ballots will be determined by the Balloting Agent and the Debtor, in their sole discretion, which determination will be final and binding. As indicated below under “Withdrawal of Ballots; Revocation,” effective withdrawals of Ballots or Master Ballots must be delivered to the Balloting Agent prior to the Voting Deadline. The Debtor reserves the absolute right to contest the validity of any such withdrawal. The Debtor also reserves the right to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtor or its counsel, be unlawful. The Debtor further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation of the Ballot and its instructions by the Debtor, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtor (or the Bankruptcy Court) determines. Neither the Debtor nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

F. Withdrawal of Ballots; Revocation

Any party that delivers a valid Ballot or Master Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Balloting Agent at any time prior to the Voting Deadline or such later date as agreed by

the Debtor in its sole discretion. To be valid, a notice of withdrawal must be signed by the party who signed the Ballot or Master Ballot to be revoked. The Debtor reserves the right to contest any withdrawals. The Debtor intends to consult with the Balloting Agent to determine whether any withdrawals of Ballots or Master Ballots were received and whether the requisite acceptances of the Plan have been received.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of Ballots or Master Ballots which is not received in a timely manner by the Balloting Agent will not be effective to withdraw a previously-cast Ballot.

Any party who has previously submitted to the Balloting Agent prior to the Voting Deadline a properly completed Ballot or Master Ballot may also change his, her, or its vote by submitting to the Balloting Agent prior to the Voting Deadline, or such later date as agreed by the Debtor in its sole discretion, a subsequent properly completed Ballot or Master Ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed Ballot or Master Ballot is received, only the Ballot or Master Ballot which bears the latest date will be counted for purposes of determining whether the requisite acceptances have been received.

The Debtor will not be obligated to recognize any withdrawal, revocation, or change of any vote received after the Voting Deadline.

G. Further Information; Additional Copies

If you have any questions or require further information about the voting procedures for voting your Claim or about the packet of materials you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits, schedules or appendices to such documents (at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d) or order of the Bankruptcy Court), please contact the Balloting Agent at:

Yarway Balloting Agent
c/o Logan & Company, Inc.
546 Valley Road
Upper Montclair, NJ 07043
Telephone: (973) 509-3190
Facsimile: (973) 509-1131
www.loganandco.com

XIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THE FOLLOWING DISCUSSION SUMMARIZES CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN TO HOLDERS OF ASBESTOS PERSONAL INJURY CLAIMS. THE FOLLOWING SUMMARY DOES NOT DISCUSS THE FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS WHOSE CLAIMS ARE ENTITLED TO PAYMENT IN FULL IN CASH OR ARE OTHERWISE UNIMPAIRED UNDER THE PLAN OR TO HOLDERS OF EQUITY INTERESTS OR INTERCOMPANY CLAIMS.

THE FOLLOWING SUMMARY IS BASED ON THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “INTERNAL REVENUE CODE”), TREASURY REGULATIONS PROMULGATED THEREUNDER, JUDICIAL DECISIONS AND PUBLISHED ADMINISTRATIVE RULES AND PRONOUNCEMENTS OF THE INTERNAL REVENUE SERVICE AS IN EFFECT ON THE DATE HEREOF. CHANGES IN SUCH RULES OR NEW INTERPRETATIONS THEREOF MAY HAVE RETROACTIVE EFFECT AND COULD SIGNIFICANTLY AFFECT THE FEDERAL INCOME TAX CONSEQUENCES DESCRIBED BELOW.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES. THE PLAN PROPONENTS DO NOT INTEND TO SEEK A RULING FROM THE INTERNAL REVENUE SERVICE CONCERNING ANY OF THE TAX ASPECTS OF THE PLAN. IN ADDITION, THIS SUMMARY DOES NOT ADDRESS FOREIGN, STATE, OR LOCAL TAX CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF TAXPAYERS (SUCH AS FOREIGN TAXPAYERS, BROKER-DEALERS, BANKS, MUTUAL FUNDS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, THRIFTS, SMALL BUSINESS INVESTMENT COMPANIES, REGULATED INVESTMENT COMPANIES, REAL ESTATE INVESTMENT COMPANIES, TAX-EXEMPT ORGANIZATIONS, TRADERS IN SECURITIES THAT ELECT TO USE A MARK-TO-MARKET METHOD OF ACCOUNTING, AND PASS-THROUGH ENTITIES).

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A CLAIMHOLDER. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE TO THEM UNDER THE PLAN.

A. Treatment of the Asbestos Personal Injury Trust

It is intended that the Asbestos Personal Injury Trust will be treated as a qualified settlement fund within the meaning of section 468B of the Internal Revenue Code and the Treasury regulations promulgated thereunder. The applicable Treasury regulations provide that to be treated as a qualified settlement fund, a fund, account, or trust must be (i) established pursuant to an order of, or be approved by, a governmental authority, including a court, and must be subject to the continuing jurisdiction of that governmental authority; (ii) established to resolve or satisfy one or more contested or uncontested claims that have resulted or may result from an event (or related series of events) that has occurred and that has given rise to at least one claim asserting, among other things, liability arising out of a tort, breach of contract or violation of law; and (iii) a trust under applicable state law or have its assets physically segregated from the other assets of the transferor and persons related to the transferor.

Provided that the Asbestos Personal Injury Trust is treated as qualified settlement fund, the Asbestos Personal Injury Trust will generally be subject to an entity level tax at the maximum rate applicable to trusts and estates, and, in determining the taxable income of the Asbestos Personal Injury Trust, (i) any amounts transferred by Yarway or Tyco to the Asbestos Personal Injury Trust to resolve or satisfy a liability for which the Asbestos Personal Injury Trust is established generally will be excluded from the Asbestos Personal Injury Trust's income; (ii) any dividends, interest and payments received as compensation for delayed transfers generally will constitute taxable income to the Asbestos Personal Injury Trust; (iii) any sale, exchange or distribution of property by the Asbestos Personal Injury Trust generally will result in the recognition of gain or loss in an amount equal to the difference between the fair market value of the property on the date of disposition and the adjusted tax basis of such property; and (iv) administrative costs (including state and local taxes) incurred by the Asbestos Personal Injury Trust generally will be deductible. In general, the adjusted tax basis of property received (or treated as received for federal income tax purposes) by a qualified settlement fund from a transferor will be the fair market value of such property at the time of receipt.

B. Consequences to Holders of Asbestos Personal Injury Claims

Each Asbestos Personal Injury Claim will be liquidated and resolved by the Asbestos Personal Injury Trust in accordance with the Asbestos Personal Injury Trust Distribution Procedures. The federal income tax treatment of the receipt of payments from the Asbestos Personal Injury Trust by a holder of such an Asbestos Personal Injury Claim generally will depend upon the nature of the Asbestos Personal Injury Claim. Because the amounts received by a holder of an Asbestos Personal Injury Claim (other than an Indirect Asbestos Personal Injury Claim or Asbestos Personal Injury Trust Expenses) generally will be attributable to, and compensation for, such holder's personal physical injuries or sickness, within the meaning of section 104 of the Internal Revenue Code, any such amounts received by the holder generally should be nontaxable. However, to the extent payments from the Asbestos Personal Injury Trust to a holder of an Asbestos Personal Injury Claim are attributable to medical expense deductions allowed under section 213 of the Internal Revenue Code for a prior taxable year, such payments will be taxable as ordinary income to the recipient. To the extent that the payments from the Asbestos Personal Injury Trust to holders of Asbestos Personal Injury Claims constitute amounts received on account of claims other than personal injury or sickness, such payments generally will be includable in the gross income of such holders.

C. Information Reporting and Withholding

All distributions to holders of Asbestos Personal Injury Claims under the Plan are subject to applicable information reporting and withholding. Under federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then-applicable rate. Backup withholding generally applies if the holder (i) fails to furnish his or her social security number or other taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails properly to report interest or dividends, or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is his or her correct number and that he or she is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent that it results in an overpayment of tax.

Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

XIV. CONCLUSION AND RECOMMENDATION

The Plan Proponents believe that confirmation and implementation of the Plan is preferable to any of the alternatives described above because it will result in the greatest and most certain recoveries to holders of Claims and Equity Interests. Other alternatives would involve significant delay, uncertainty and substantial additional administrative costs.

Consequently, the Plan Proponents urge all holders of Asbestos Personal Injury Claims and Intercompany Claims to vote to ACCEPT the Plan, and to evidence their acceptance by completing and returning their Ballots so that they are actually received by the Balloting Agent on or before the Voting Deadline of _____, **2015 at 4:00 p.m. (ET)**.

Dated: December 22, 2014

YARWAY CORPORATION

By: 

Name: Kevin Coen

Title: Vice President & Secretary

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Dated: December 22, 2014

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