

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

IN RE

Combustion Engineering, Inc.
Debtor

Bankruptcy No. 03-10495 (JKF)
Chapter 11

**ORDER APPROVING THE DISCLOSURE STATEMENT BUT RECOMMENDING
WITHHOLDING OF CONFIRMATION OF THE PLAN OF REORGANIZATION
FOR COMBUSTION ENGINEERING FOR TEN DAYS**

This matter comes before the Court on the Motion of Combustion Engineering, Inc., debtor and debtor in possession (the "Debtor" or "CE"), for an order approving the Debtor's Disclosure Statement and confirming Debtor's Proposed Plan.¹ The Court has reviewed the briefs for and against the Plan and the adequacy of the Disclosure Statement and supporting materials filed by all interested parties, has listened to the oral arguments of all interested counsel and reviewed the testimony of witnesses and other evidence admitted at the Confirmation

¹The Debtor has filed a series of technical modifications to its Plan of Reorganization dated January 19, 2003, and certain of the Plan Documents, since the Petition Date. Specifically the Debtor has filed (i) the Technical Modifications to the Debtor's Plan of Reorganization filed on April 1, 2003; (ii) the Second Technical Modifications to the Debtor's Plan of Reorganization filed on April 22, 2003; (iii) the Third Technical Modifications to the Debtor's Plan of Reorganization filed on April 23, 2003; (iv) the Fourth Technical Modifications to the Debtor's Plan of Reorganization filed on April 24, 2003; (v) the Restated and Supplemental Technical Modifications to the Debtor's Plan of Reorganization filed on May 7, 2003 (the "Restated and Supplemental Technical Modifications"); (vi) the Sixth Technical Modifications to the Debtor's Plan filed on May 13, 2003 (the "Sixth Technical Modifications"); (vii) the Debtor's Final Technical Modifications to the Debtor's Plan of Reorganization filed on June 2, 2003 (the "Seventh Technical Modifications"); and (viii) certain additional Technical Modifications to the Debtor's Plan of Reorganization filed on June 4, 2003 (the "Eighth Technical Modifications") (collectively, the "Technical Modifications"). On June 4, 2003 the Debtor filed with the Court a Plan of Reorganization as modified through June 4, 2003 together with all Plan Documents as modified through June 4, 2003 which incorporate all operative technical modifications to the Plan and the Plan Documents through June 4, 2003 (the "Modified Plan"). The term "Plan" as used herein means the Modified Plan.

Hearing on April 24 and May 1, 2, 12 and 13, 2003, and heard oral argument of all interested parties with respect to the proposed Technical Modifications and objections to those Technical Modifications on May 23 and 27, and June 3, 2003.²

The Court has also reviewed the affidavit of Patricia Cuniff with respect to the mailing of the notice of the Confirmation Hearing, the affidavit of publication by Bridgette Trykoski in The Wall Street Journal, National Edition dated March 3, 2003 filed with respect to the publication of notice of the Confirmation Hearing in accordance with the Scheduling Order and concludes that due notice of the Confirmation Hearing was given to all parties in interest.

After due deliberation and sufficient cause appearing therefore, **IT IS HEREBY**

ORDERED:

General Decrees and Implementation

1. The Disclosure Statement is hereby approved as containing adequate information in accordance with section 1125 of the Bankruptcy Code.
2. All objections to the Disclosure Statement, other than those withdrawn in writing prior to, or on the record at, the Confirmation Hearing, and other than those in respect of which the Court made rulings during the Confirmation Hearing, are overruled.

²Capitalized terms used herein shall have the meanings ascribed to them in the Glossary of Terms for the Plan Documents Pursuant to the Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for Combustion Engineering, Inc. as modified through June 4, 2003 (the "Glossary"), unless otherwise indicated or defined in the accompanying Memorandum in Support of (I) Approval of Disclosure Statement and Solicitation Procedure and (II) Confirmation of Plan of Reorganization Under Chapter 11 Of The United States Bankruptcy Code For Combustion Engineering, Inc. (the "Memorandum") or herein. Any capitalized term used but not defined herein, or in the Glossary, but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term in the Bankruptcy Code or the Bankruptcy Rules. Such meanings shall be equally applicable to both the singular and the plural forms of such terms.

3. The Debtor's solicitation of acceptances or rejections of the Plan was in compliance with all applicable requirements of section 1126(b)(1) and (2) of the Bankruptcy Code and Bankruptcy Rules 3017 and 3018.

4. The Ballots, in the form transmitted with the Disclosure Statement, are approved in all respects.

5. All objections to confirmation of the Plan, other than those regarding the issuance of a channeling injunction for Lummus and Basic direct claims, those withdrawn in writing prior to, or on the record at, the Confirmation Hearing, and those in respect of which the Court made rulings during the Confirmation Hearing, are overruled.

6. The Plan is not confirmed. Rather, within ten (10) days hereof, CE shall file supplemental information as follows:

(a) an affidavit and deposition transcript of what, if any, effort was made to identify, notify and solicit votes from creditors with claims only against Lummus (i.e., not solely creditors with claims against CE and Lummus) and

(b) an affidavit and deposition transcript of what, if any, effort was made to identify, notify, and solicit votes from creditors with claims only against Basic (i.e., not solely creditors with claims against CE and Basic) and

(c) a document equivalent to a TDP for Lummus that will identify the funds available only for Lummus creditors and the process by which claims will be addressed; and

(d) a document equivalent to a TDP that will identify the funds available only for Basic creditors and the process by which claims will be addressed for Basic.

If the affidavit and deposition transcript substantiate that something more than

publication was provided as notice to Lummus' and Basic's direct creditors, then the fourth factor of the analysis in *In re Dow Corning Corporation*, 208 F.3d 648 (6th Cir. 2002), will be met and this Court would recommend confirmation. Otherwise, the Court recommends that confirmation be withheld until those creditors are notified and provided the opportunity to vote.

If the TDP-type documents filed for Lummus and Basic establish that a mechanism is in place to pay Lummus and Basic direct creditors, respectively, and the process by which claims will be addressed so that the fifth factor of *Dow Corning* is met, then the Court would recommend confirmation.

7. In the event that CE satisfies ¶ 6 above so that confirmation can be recommended, then the Court would make the following additional findings:

(A) The Plan, the Plan Documents, as modified through June 4, 2003, including, without limitation, the (i) the Asbestos PI Trust Agreement, (ii) Insurance Assignment Agreement, (iii) the ABB and Non-Debtor Affiliate Settlement Agreement and (iv) the TDP and all amendments, modifications and supplements thereto, including, without limitation, all annexes, exhibits, and schedules thereto, and all terms and conditions thereof, are fair and reasonable and are hereby approved.

(B) All authorized transactions effected by the Debtor during the period from the Petition Date, through and including the Effective Date, are hereby approved, ratified and confirmed.

(C) All payments over which the Court has jurisdiction made or to be made by the Debtor, or by an Entity to the extent, if any, that such Entity issues securities or acquires 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, have been approved by,

and are hereby approved pursuant to this Order, or are subject to the further approval of, the Court, as reasonable.

(D) The Plan and its provisions shall be binding on the Debtor, the Released Parties, and any holder of a Claim against or Equity Interest in the Debtor whether or not the Claim or Equity Interest of such creditor or equity security holder or obligation of any party in interest is impaired under the Plan and whether or not such creditor, equity security holder or party in interest has accepted the Plan.

(E) The record of this Confirmation Hearing as supplemented is closed.

(F) Nothing in this Order shall in any way affect the provisions of section 7.11 of the Plan, which provide that “the effective date of the Plan,” as used in section 1129 of the Bankruptcy Code, shall not occur and the Plan shall be of no force and effect, until the Effective Date. If the Effective Date does not occur, all Findings of Fact and Conclusions of Law shall be null and void and the Debtor and holders of Claims and Equity Interests shall stand in the same position as if this Order had not been entered.

(G) The provisions of 7.10.1.1 through 7.10.1.7 are incorporated herein and the Court specifically makes the findings stated therein.

Certain Matters Relating to Implementation of the Plan
Certain Corporate Filings; Management of the Reorganized Debtor

(H) Each of the officers of the Debtor and the Reorganized Debtor is authorized, in accordance with his or her authority under the resolutions of the Board of Directors and By-Laws of the Debtor and the Reorganized Debtor, to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as

may be necessary or appropriate, for and on behalf of the Debtor and the Reorganized Debtor, to effectuate and further evidence the terms and conditions of the Plan and the Plan Documents.

(I) All matters provided for under the Plan, involving the corporate structure of the Debtor or Reorganized Debtor, or any corporate action to be taken by, or required of the Debtor or Reorganized Debtor, shall be deemed to have occurred and be effective as provided in the Plan. This Order constitutes all authority, if any, required by the General Corporation Law of the State of Delaware, as applicable, and all other applicable business corporation, trust, and other laws of the applicable Governmental Units with respect to the implementation and consummation of the Plan. On and after the Effective Date, the Board of Directors will manage the business and affairs of the Reorganized Debtor.

Continued Corporate Existence; Vesting of Assets

(J) Except as otherwise expressly provided in the Plan Documents, on the Effective Date, title to all of the Debtor's assets and properties and interests in property other than those elements of the CE Contribution to be transferred to the Asbestos PI Trust shall vest in the Reorganized Debtor, free and clear of all Claims, Equity Interests, Encumbrances, and other interests, and, except as otherwise expressly provided in the Plan this Order is a judicial determination of discharge of the liabilities of the Debtor.

(K) Except for those actions which may be compromised and settled or transferred to the Asbestos PI Trust pursuant to the Plan and this Order, all actions by the Debtor shall be preserved and retained by the Debtor for enforcement subsequent to the confirmation of the Plan, and on the Effective Date, such actions shall be assigned to, and vested in, the Reorganized Debtor.

(L) Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of any security pursuant to the Plan Documents may not be taxed under any law imposing a stamp tax or similar tax.

The Asbestos PI Trust
The Creation of the Asbestos PI Trust

(M) On the Effective Date, the Asbestos PI Trust shall be created in accordance with the Plan Documents. On the Effective Date, all right, title and interest in and to the Asbestos PI Trust Assets and any proceeds or causes of action thereunder shall be transferred to, and vested in, the Asbestos PI Trust free and clear of all Claims, interests, Encumbrances and other interests of any Entity without any further action of any Entity. The Asbestos PI Trust and the Trustees are hereby authorized and empowered to receive the Asbestos PI Trust Assets.

The Appointment of Trustees and Trust Advisory Committee (TAC) Members

(N) The appointment of Brent Coon and John Cooney as two of the three initial members of the TAC, be, and hereby is, approved. Within ten (10) days hereof, the appropriate parties shall nominate a third member. Effective as of the Effective Date, the initial members of the TAC shall serve as members of the TAC in accordance with the Asbestos PI Trust Agreement. Prior to the Effective Date, the Future Claimants' Representative and the Official Creditors' Committee appointed in the Chapter 11 Case, acting jointly, shall nominate the three initial Trustees of the Asbestos PI Trust in accordance with the Plan. The Bankruptcy Court, after notice and opportunity for hearing, shall appoint the initial Trustees to serve as Trustees of the Asbestos PI Trust in accordance with the Asbestos PI Trust Agreement, effective as of the Effective Date.

Institution and Maintenance of Legal and Other Proceedings

(O) As of the Effective Date, and subject to the terms of the Plan the Asbestos PI Trust shall be empowered to initiate, prosecute, defend and resolve all legal actions and other proceedings related to any asset, liability, or responsibility of the Asbestos PI Trust. The Asbestos PI Trust shall be empowered to initiate, prosecute, defend, settle, maintain, administer, preserve, pursue and resolve all actions arising from or related to the Asbestos Insurance Rights. The Insurance Contributors shall be empowered to initiate, prosecute, defend, settle, maintain, administer, preserve, pursue and resolve all actions arising from or related to their respective insurance rights to the extent permitted or required by the Insurance Assignment Agreement and the Plan. Within six months of the Effective Date, at the direction of and request of the Asbestos PI Trust, an Insurance Contributor or the Reorganized Debtor, as applicable, shall pursue any Asbestos Insurance Rights for the benefit of and to the fullest extent required by the Asbestos PI Trust, by negotiation or, if necessary, by the initiation of all appropriate and necessary legal action to secure such Asbestos Insurance Rights and shall take such other action as the Asbestos PI Trust may request, including but not limited to granting a security interest in the Asbestos Insurance Rights and commencing a declaratory judgment action to ascertain whether assignment of those Asbestos Insurance Rights constitutes a breach thereof.

Insurers' Rights

(P) Notwithstanding anything to the contrary in this Order, the Plan or any of the Plan Documents, nothing in this Order, the Plan or any of the Plan Documents (including any other provision that purports to be preemptory or supervening), shall in anyway operate to, or have the effect of, impairing the insurers legal, equitable or contractual rights, if any, in any respect. The

rights of insurers shall be determined under the Subject Insurance Policies or Subject Insurance Settlement Agreements as applicable.

Discharge, Releases, and Injunctions

(Q) Except as specifically provided in the Plan or in this Order the rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Equity Interests of any nature whatsoever, against the Debtor and the Debtor in Possession, or its assets, properties, or interests in property. Except as otherwise provided in the Plan or in this Order, on the Effective Date all Claims against and Equity Interests in the Debtor and the Debtor in Possession shall be satisfied, discharged, and released in full. Except as otherwise provided in the Plan or this Order, the Reorganized Debtor shall not be responsible for any obligations of the Debtor or the Debtor in Possession except those expressly assumed by the Reorganized Debtor pursuant to the Plan and such settlement agreements relating to objections to confirmation as are expressly approved by the Court. To the full extent provided in the Plan, all Entities shall be precluded and forever barred from asserting against the Asbestos PI Trust and the Asbestos Protected Parties, or their assets, properties, or interests in property any other or further Claims or Demands based upon any act or omission, transaction, or other activity, event, or occurrence of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date, except as expressly provided in the Plan.

(R) Except as provided in the Plan Documents and this Order, the transfer to, vesting in, and assumption by the Asbestos PI Trust of the Asbestos PI Trust Assets and the Asbestos Insurance Assignment as contemplated by the Plan, the ABB and the Non-Debtor Affiliate

Settlement Agreement, and the Insurance Assignment Agreement shall, among other things, on the Effective Date (a) discharge the Debtor and the Reorganized Debtor for and in respect of all Asbestos PI Trust Claims and (b) release and extinguish all obligations and liabilities of the Released Parties for and in respect of all Asbestos PI Trust Claims. On the Effective Date, the Asbestos PI Trust shall assume all Asbestos PI Trust Claims and shall pay the Allowed Asbestos PI Trust Claims in accordance with the TDP. Direct claims against Lummus shall be paid in accordance with the Lummus distribution procedures. Direct claims against Basic shall be paid in accordance with the Basic distribution procedures.

(S) With respect to all Asbestos PI Trust Claims, the entry of the Asbestos PI Channeling Injunction and the Asbestos Insurance Entity Injunction shall stay, enjoin and restrain any Entity from taking any of the actions prohibited by the Asbestos PI Channeling Injunction and the Asbestos Insurance Entity Injunction for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to any Asbestos PI Trust Claim against an Asbestos Protected Party, as set forth in the Asbestos PI Channeling Injunction and the Asbestos Insurance Entity Injunction. In particular, the sole and exclusive remedy on account of Asbestos PI Trust Claims shall be against the Asbestos PI Trust, and no Asbestos PI Trust Claim may be asserted against any Asbestos Protected Party, except as specified in the Asbestos PI Channeling Injunction and the Asbestos Insurance Entity Injunction.

(T) On and after the Effective Date, the Debtor shall be fully and finally discharged of any liability or obligation on a disallowed Claim, and any order creating a disallowed Claim which 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 and shall then be subject to appeal.

(U) Except to the extent released pursuant to the Plan, any rights, claims, or causes of action accruing to the Debtor pursuant to the Bankruptcy Code or pursuant to any statute or legal theory, including any avoidance or recovery actions under sections 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, any rights to, claims, or causes of action for recovery under any policies of insurance issued to, or on behalf of, or which provides indemnity or liability payments to or on behalf of, the Debtor and any right, claims, and causes of action against third parties related to or arising out of Allowed Claims, except Claims that shall, pursuant to the Plan, be retained and resolved by the Reorganized Debtor, shall, on the Effective Date, be transferred to the Asbestos PI Trust.

(V) Notwithstanding anything to the contrary in this Order, the Plan or the Plan Documents, nothing (including any provision that purports to be preemptory or supervening) shall release Joseph F. Rice, the CE Settlement Trust or its Trustees from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising in law, equity or otherwise.

The Asbestos PI Channeling Injunction

(W) In connection with the creation of the Asbestos PI Trust and to supplement the injunctive relief of a discharge under section 524 of the Bankruptcy Code, the Asbestos PI Channeling Injunction shall be, and hereby is, issued and approved as of the Effective Date. The Asbestos PI Channeling Injunction applies to Asbestos PI Trust Claims which include

CE Asbestos PI Claims. CE Asbestos PI Claims are defined expansively to include without limitation all direct and indirect contract and tort claims against CE arising out of or related to exposure to asbestos. Pursuant to the Asbestos PI Channeling Injunction, the sole recourse of the holder of an Asbestos PI Trust Claim on account of such Claim shall be to the Asbestos PI Trust pursuant to the provisions of the Asbestos PI Channeling Injunction and the Asbestos PI Trust Distribution Procedures, and such holder shall have no right whatsoever at any time to assert its Asbestos PI Trust Claim against the Debtor, Reorganized Debtor, any other Asbestos Protected Party, or any Settling Asbestos Insurance Company or any property or interest in property of the Debtor, the Reorganized Debtor, any other Asbestos Protected Party or any Settling Asbestos Insurance Company. Without limiting the foregoing, from and after the Effective Date, the Asbestos PI Channeling Injunction shall apply to all present and future holders of Asbestos PI Trust Claims, and all such holders shall be permanently and forever stayed, restrained, and enjoined from taking any of the following actions for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to any Asbestos PI Trust Claims, other than from the Asbestos PI Trust in accordance with the Asbestos PI Channeling Injunction and pursuant to the Asbestos PI Trust Agreement and the Asbestos PI Trust Distribution Procedures:

(i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding (including a judicial, arbitration, administrative, or other proceeding) in any forum against or affecting any Asbestos Protected Party or Settling Asbestos Insurance Company or any property or interests in property of any Asbestos Protected Party or any Settling Asbestos Insurance Company;

(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 Asbestos Protected Party or Settling Asbestos Insurance Company or any property or interests in property of any Asbestos Protected Party or Settling Asbestos Insurance Company;

(iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance against any Asbestos Protected Party or Settling Asbestos Insurance Company, or any property or interests in property of any Asbestos Protected Party or Settling Asbestos Insurance Company;

(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 Asbestos Protected Party or Settling Asbestos Insurance Company or any property or interests in property of any Asbestos Protected Party or Settling Asbestos Insurance Company; and

(v) proceeding in any manner in any place with regard to any matter that is subject to resolution pursuant to the Asbestos PI Trust, except in conformity and compliance with the Asbestos PI Trust Agreement and the CE TDP and similar documents or TDPs regarding Lummus and Basic.

(X) Except as otherwise expressly provided in the Plan or the ABB and Non-Debtor Affiliate Settlement Agreement, or this Confirmation Order, nothing contained in the Plan shall constitute or be deemed a waiver of any claim, right, or cause of action that the Debtor, the Reorganized Debtor, Basic, Lummus, or the Asbestos PI Trust may have against any Entity in

connection with or arising out of or related to an Asbestos PI Trust Claim. No holder of a Settled Asbestos Claim that entered into the Master Settlement Agreement or an Adoption Agreement (as defined in the Master Settlement Agreement) shall be enjoined from asserting such Settled Asbestos Claim against the CE Settlement Trust, and no such claim against the CE Settlement Trust shall be released by the Plan or by the ABB and Non-Debtor Affiliate Settlement Agreement.

The Asbestos Insurance Entity Injunction

(Y) In connection with the creation of the Asbestos PI Trust and to supplement the injunctive relief of a discharge under section 524 of the Bankruptcy Code, the Asbestos Insurance Entity Injunction shall be, and hereby is, issued and approved as of the Effective Date. Pursuant to the Asbestos Insurance Entity Injunction, subject to section 7.4.1 of the Plan, all Entities (not including the Asbestos PI Trust and, to the extent permitted or required under section 7.2.13 of the Plan or the Insurance Assignment Agreement, the Reorganized Debtor and the Insurance Contributors) that have held or asserted, that hold or assert, or that may in the future hold or assert any Claim, Demand, or cause of action (including any Asbestos PI Trust Claim or any Claim or Demand for or respecting any Trust Expenses), against any Asbestos Insurance Entity, based upon, relating to, arising out of, or in any way connected with any Claim, Demand, Asbestos Insurance Rights, Subject Insurance Policies, or Subject Insurance Settlement Agreements whenever and wherever arisen or asserted (including all Claims in the nature of or sounding in tort, or under contract, warranty, or any other theory of law, equity, or admiralty) shall be stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to

any such claim, demand, or cause of action, including:

(i) commencing, conducting, or continuing, in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum with respect to any such claim, demand, or cause of action against any Asbestos Insurance Entity, or against the property of any Asbestos Insurance Entity, with respect to any such claim, demand, or cause of action;

(ii) enforcing, levying, attaching, collecting, or otherwise recovering, by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Asbestos Insurance Entity, or against the property of any Asbestos Insurance Entity, with respect to any such claim, demand, or cause of action;

(iii) creating, perfecting, or enforcing in any manner, directly or indirectly, any Encumbrance against any Asbestos Insurance Entity, or the property of any Asbestos Insurance Entity, with respect to any such claim, demand, or cause of action;

(iv) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, directly or indirectly, against any obligation due any Asbestos Insurance Entity, or against the property of any Asbestos Insurance Entity, with respect to any such claim, demand, or cause of action; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents relating to such claim, demand, or cause of action.

Provided, however, that (a) the Asbestos Insurance Entity Injunction shall not impair in any way the rights, claims or causes of action described in section 7.3 of the Plan; (b) the

Asbestos PI Trust shall have the sole and exclusive authority at any time to terminate, or reduce or limit the scope of, the Asbestos Insurance Entity Injunction with respect to any Asbestos Insurance Entity upon express written notice to such Asbestos Insurance Entity; and (c) the Asbestos Insurance Entity Injunction is not issued for the benefit of any Asbestos Insurance Entity, and no Asbestos Insurance Entity is a third-party beneficiary of the Asbestos Insurance Entity Injunction.

(Z) Notwithstanding anything to the contrary above, the Asbestos Insurance Entity Injunction shall not enjoin:

(i) the rights of Entities to the treatment accorded them under the Plan, including the rights of Entities with Asbestos PI Trust Claims to assert such Asbestos PI Trust Claims against the Asbestos PI Trust in accordance with the Asbestos PI Trust Distribution Procedures;

(ii) the rights of Entities to assert any claim, debt, obligation, or liability for payment of Trust Expenses against the Asbestos PI Trust;

(iii) the rights of the Asbestos PI Trust to prosecute any action based on or arising from the Asbestos Insurance Rights;

(iv) the rights of the Reorganized Debtor and the Insurance Contributors for the benefit of the Asbestos PI Trust (but only to the extent permitted or required under section 7.2.13 of the Plan or the Insurance Assignment Agreement) to prosecute any action based on or arising from Asbestos Insurance Rights;

(v) the rights of the Asbestos PI Trust to assert any claim, debt, obligation, or liability for payment against an Asbestos Insurance Entity based on or arising from the Asbestos Insurance Rights;

(vi) the rights of the Reorganized Debtor and the Insurance Contributors for the benefit of the Asbestos PI Trust (but only to the extent permitted or required under section 7.2.13 of the Plan or the Insurance Assignment Agreement) to assert any claim, debt, obligation, or liability for payment against an Asbestos Insurance Entity based on or arising from the Asbestos Insurance Rights; and

(vii) the rights of the Reorganized Debtor and the Insurance Contributors for the benefit of the Asbestos PI Trust (but only to the extent permitted or required under section 7.2.13 of the Plan or the Insurance Assignment Agreement) to assign a cause of action against any Asbestos Insurance Entity to a holder of an Asbestos PI Trust Claim and for such Claimant to assert any claim, debt, obligation, or liability for payment against such Asbestos Insurance Entity.

Section 346 Injunction

(AA) In accordance with section 346 of the Code, for purposes of any state or local law imposing a tax, income will not be realized by the Debtor or Reorganized Debtor by reason of forgiveness or discharge of indebtedness resulting from the consummation of the Plan. As a result, each state or local taxing authority which was provided with notice of this proceeding is permanently enjoined and restrained, after the Confirmation Date, from commencing, continuing, or taking any act to impose, collect, or recover in any manner any tax against the Debtor or Reorganized Debtor arising by reason of the forgiveness or discharge of indebtedness under the Plan.

Continuation of Prior Stays and Injunctions

(BB) All of the injunctions and/or automatic stays provided for, in or in connection with the Chapter 11 Case, whether pursuant to section 105, section 362, or any other provision of the

Bankruptcy Code or other applicable law, in existence immediately prior to the Confirmation Date shall remain in full force and effect until the injunctions set forth in the Plan become effective, and thereafter if so provided by the Plan, this Order, or by their own terms. In addition, on and after the Confirmation Date, the Reorganized Debtor 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.

As to any adversary which has been stayed, any party may move to lift the stay.

(CC) Each of the injunctions contained in the Plan shall become effective on the Effective Date and shall continue in effect at all times thereafter unless otherwise provided by the Plan. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by such injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date.

(DD) Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date.

Executory Contracts

(EE) Except for executory contracts that the Debtor has rejected prior to the Effective Date or designated as being subject to rejection in connection with the Effective Date, as set forth in Article 8 of the Plan, and in accordance with section 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases not previously assumed by the Debtor pursuant to section 365 of the Bankruptcy Code shall be deemed to have been assumed by the Reorganized Debtor on the Effective Date.

Claims Bar Dates

Bar Dates for Administrative Expense Claims

Fee Claims -- Professional Compensation

(FF) Professionals or other Entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, §330, 331, and 503(b) of the Bankruptcy Code (including compensation requested pursuant to section 503(b)(3) and (4) of the Bankruptcy Code by any professional or other Entity for making a substantial contribution in the Chapter 11 Case) must file and serve on the Reorganized Debtor and on such Entities who are designated by the Bankruptcy Rules an application for final allowance of compensation and reimbursement of expenses no later than forty-five (45) days after the last date of the calendar month in which the Effective Date occurs.

No Bar Date for Ordinary Course Liabilities

(GG) Holders of Administrative Expense Claims based on obligations incurred by the Debtor in the ordinary course of its business shall not be required to file or serve any request for payment of such Claims and shall be paid in full by the Debtor or performed by the Reorganized Debtor, when due in the ordinary course of business and in accordance with the terms and conditions of the particular agreements governing such obligations, if any.

Bar Date for Rejection Damage Claims and Non-Asbestos Claims

(HH) (1) If the rejection of an executory contract or unexpired lease pursuant to section 8.1 of the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claims shall be forever barred and shall not be enforceable against the Debtor or the Reorganized Debtor, its successors or their respective properties unless a proof of Claim is filed on or before the later to occur of: (a) thirty (30) days after the date of entry of an order of the Court approving

such rejection or (b) thirty (30) days after service of notice of such rejection, if such rejection occurs by expiration of the time fixed by the Court. Objections to Claims filed pursuant to section 8.1 of the Plan shall be filed with the Court within thirty (30) days of such filing.

(2) Except as otherwise provided in paragraphs (FF) and (GG) and (HH)(1) of this Order, all non-asbestos claims shall be filed within 90 days after the Confirmation Date.

Retention of Jurisdiction

(II) Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Case or Plan for which the reference has not been withdrawn to the District Court or (c) that relates to the matters set forth in Article 9 of the Plan.

(JJ) The Asbestos PI Trust shall be subject to the continuing jurisdiction of the Court in accordance with the requirements of section 468B of the IRC and the regulations issued pursuant thereto.

(KK) ABB Limited's limited consent to the jurisdiction of this Court to adjudicate the continued applicability of the channeling injunction in its favor in the event of any uncured default and the consequences of any uncured default is accepted. This Court retains exclusive jurisdiction over ABB Limited for that purpose.

Miscellaneous

(LL) On the Confirmation Date, the Debtor 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 effectively (a) the provisions of the Plan and (b) the creation of the Asbestos PI Trust.

(MM) On the Effective Date, the Unsecured Creditors' Committee, shall be released and

discharged as provided in section 11.5 of the Plan. The Reorganized Debtor shall file a Notice that Plan has become effective within ten (10) days after the Effective Date.

(NN) All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid by the Debtor when due but not later than the Effective Date.

(OO) Except as otherwise expressly provided in the Plan or otherwise Allowed by Final Order of the Court, no interest, penalty, or late charge arising after the Petition Date shall be Allowed on any Claim or Equity Interest.

(PP) No attorneys' fees, Non-Compensatory Damages, penalties, or interest shall be paid with respect to any Claim or Equity Interest except as Allowed by a Final Order of the Court or in accordance with the terms of a TDP.

(QQ) The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, and enforceability of such provision and such provision shall have the same validity, binding effect, and enforceability as every other provision of the Plan.

(RR) Unless this Order is stayed pending appeal, its reversal or modification shall not affect the validity of the Plan, the Plan Documents, or any other agreement, document, instrument, or action authorized by this Order or under the Plan as to the Debtor, Reorganized Debtor, the Asbestos PI Trust, or any other Entity acting in good faith, whether or not that Entity knows of the appeal.

(SS) The performance of all obligations which shall be due and owing on the Effective Date pursuant to the terms of the Plan shall constitute substantial consummation of the Plan within the meaning of section 1101(2) of the Bankruptcy Code. Notwithstanding any closing of

these chapter 11 proceedings, the Debtor, the Reorganized Debtor, the TAC, and the Future Claimants Representative may move, on notice to those Persons on the master service list, to reopen the Chapter 11 Case for the purpose of seeking relief pursuant to the retained jurisdiction of the Bankruptcy Court provided herein, in the Plan or under applicable law.

(TT) As required by the Court's May 13, 2003 Order Granting Debtor's Emergency 9019 Motion for Approval of Settlement Agreement with Liberty Mutual Insurance Company ("Emergency 9019 Motion"), the Plan has been amended by Technical Modification to effectuate and implement paragraphs 4, 7 and 8 of that Settlement Agreement and paragraph 2 of the Assumption and Assignment Agreement attached to the Emergency 9019 Motion.

(UU) As required by the Court's May 23, 2003 Order Approving Agreement Settling (1) Debtor's Motion to Disallow Claims of Andritz Inc. Pursuant to Section 502(e)(1)(B) of the Bankruptcy Code and (2) Objection of Andritz Inc. to Adequacy of Disclosure Statement and Confirmation of Debtor's Plan of Reorganization, the Plan has been amended by Technical Modification so that the Asbestos PI Channeling Injunction and the releases as to the Debtor and Asea Brown Boveri do not apply to Andritz' claims under the Andritz Settlement Agreement and Andritz Settlement Order.

(VV) In the event of any inconsistency between the Plan and any other agreement, instrument, or document intended to implement the provisions of the Plan, the provisions of the Plan shall govern unless otherwise expressly provided for in such agreements, instruments or documents. In the event of any inconsistency between and/or among the Plan and this Confirmation Order, the provisions of this Confirmation Order shall govern. This Confirmation Order shall supersede any orders of the court issued prior to the Effective Date that may be

inconsistent herewith.

Notice of Entry of Confirmation Order, and 70-day Accelerated TDP Claims Process, and General Non-Asbestos Bar Date and Filing of Final Fee and Expense Applications

(WW) Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), the Debtor shall be, and hereby is, directed to serve a notice of the (i) the entry of this Order, (ii) the bar date for filing Claims based on the rejection of executory contracts or unexpired leases, (iii) the bar date for filing non-asbestos claims and (iv) the date for filing final applications for compensation and reimbursement of expenses hereunder. The Debtor shall submit a proposed form of notice to the Court within ten (10) days hereof.

(YY) The Debtor shall be, and hereby is, directed to publish the Confirmation Notice and the Notice of the 70-day accelerated TDP claims process once in the Wall Street Journal (National Edition) no later than thirty (30) days after the Confirmation Date.

(XX) Within thirty (30) days after the Confirmation Date, the Debtor shall provide notice to all Class 5 current non-MSA claimants of their opportunity to file a claim within 70 days after the Effective Date (pursuant to §5.1(b) of the TDP) and to receive accelerated consideration under the TDP.

Order With Respect to Joseph Rice

(AAA) Within 60 days of the date of this Order, Mr. Rice shall inform his individual clients and those entities for which he or his firm serves as national coordinating counsel, in writing, of the existence and nature of his conflict, obtain written waivers from those clients, and certify to this Court that he has or has not obtained the waivers. If he does not obtain waivers, he shall return all fees to those clients not waiving the conflict and is precluded from collecting

further fees with respect to those clients. He shall refer all non-waiving clients to other counsel within the 60 day period prescribed herein. Mr. Rice shall not collect any fees going forward with respect to this matter until he obtains waivers.

(BBB) Neither this Confirmation Order, the Plan, the TDP, the Asbestos PI Trust Agreement, or any other Plan document shall permit Mr. Rice, his firm, or his counsel to participate in any way with the operation of the Asbestos PI Trust through serving as a Trustee or on the Trust Advisory Committee.

THIS ORDER IS HEREBY DECLARED 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.

**Date and signature on following page.*

cc: via e-mail to
The Honorable Alfred M. Wolin
Curtis Hehn, Esquire

It is **SO ORDERED**.

DATE: June 23, 2013

Judith K. Fitzgerald

Judith K. Fitzgerald

United States Bankruptcy Court