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DII INDUSTRIES, LLC ASBESTOS PI TRUST AGREEMENT

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DII INDUSTRIES, LLC ASBESTOS PI TRUST AGREEMENT

This Asbestos PI Trust Agreement, dated as set forth on the signature page hereof and effective as of the Effective Date, is among Mid-Valley, Inc., DII Industries, LLC, Kellogg Brown & Root, Inc., KBR Technical Services, Inc., Kellogg Brown & Root Engineering Corporation, Kellogg Brown & Root International, Inc. (a Delaware corporation), Kellogg Brown & Root International, Inc. (a Panamanian corporation), BPM Minerals, LLC, each a debtor and debtor-in-possession in case number 03-35592 JKF before the Bankruptcy Court, as Settlers, the Legal Representative, the individual Trustees, and members of the Asbestos TAC identified on the signature pages hereto and appointed at the Confirmation Hearing pursuant to the Plan. All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Definitive Uniform Glossary of Defined Terms for Plan Documents filed of record in the Debtors' Reorganization Cases on November 22, 2004 [Docket # 2086]. All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules.

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

WHEREAS the Debtors have reorganized under the provisions of chapter 11 of the Bankruptcy Code in a case known as *In re Mid-Valley, Inc., et al.*, Case No. 03-35592 JKF, pending before the Bankruptcy Court.

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

WHEREAS the Plan Documents provide, among other things, for the creation of the Asbestos PI Trust.

WHEREAS pursuant to the Plan, the Asbestos PI Trust is to use its assets and income to pay Asbestos Unsecured PI Trust Claims against the Halliburton Entities and Harbison-Walker Entities.

WHEREAS pursuant to the Plan, the Asbestos PI Trust is intended to qualify as a "qualified settlement fund" within the meaning of section 1.468B-1, *et seq.*, of the Treasury Regulations promulgated under section 468B of the IRC.

WHEREAS it is the intent of the Settlers, the Trustees, the Legal Representative, and the members of the Asbestos TAC that the Asbestos PI Trust be administered, maintained, and operated at all times as a qualified settlement fund through mechanisms that provide reasonable assurance that the Asbestos PI Trust will value, and be in a financial position to pay, all Asbestos Unsecured PI Trust Claims and demands that involve similar claims in substantially the same manner, in strict compliance with the terms of this Asbestos PI Trust Agreement.

WHEREAS the Plan provides, among other things, for the complete treatment of all liabilities and obligations of the Halliburton Entities and the Harbison-Walker Entities with respect to Asbestos Unsecured PI Trust Claims.

WHEREAS the Bankruptcy Court has determined that the Asbestos PI Trust and the Plan satisfy all the prerequisites for the Permanent Channeling Injunction and Asbestos/Silica Insurance Company Injunction, and such injunctions have been issued in connection with the Confirmation Order.

WHEREAS the Confirmation Order has been entered or affirmed by the District Court, and such Confirmation Order has become a Final Order.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

AGREEMENT OF TRUST

1.1 Creation and Name.

The Settlers hereby create a trust known as the "DII Industries, LLC Asbestos PI Trust," which is the Asbestos PI Trust provided for, and referred to, in the Plan. The Trustees of the Asbestos PI Trust may transact the business and affairs of the Asbestos PI Trust in the name "DII Industries, LLC Asbestos PI Trust" or the name "DII Asbestos Trust."

1.2 Purpose.

The purpose of the Asbestos PI Trust is to assume the liabilities of the Halliburton Entities and Harbison Walker Entities for all Asbestos Unsecured PI Trust Claims, to use the Asbestos PI Trust's assets and income to pay holders of Asbestos Unsecured PI Trust Claims in accordance with the Asbestos PI Trust Agreement and in such a way that all holders of similar Asbestos Unsecured PI Trust Claims are treated in a substantially equivalent manner, and to comply otherwise in all respects with the requirements of a trust set forth in section 524(g)(2)(B)(i) of the Bankruptcy Code.

1.3 Transfer of Assets.

As provided in article 9.2(a) of the Plan, (1) the Settlers have delivered the Asbestos PI Trust Funding Agreement, (2) the Settlers and Halliburton, on behalf of itself and the Halliburton Current Affiliates, have executed and delivered the Asbestos PI Trust Additional Funding Agreement, (3) DII Industries has executed and delivered the Asbestos PI Trust Note, (4) HESI has executed and delivered the DII Industries Pledge Agreement, (5) Halliburton has executed and delivered the Halliburton Asbestos PI Trust Guarantee, (6) the Settlers have delivered the Halliburton Asbestos PI Trust Stock, and (7) DII Industries has made the RHI Asbestos PI Trust Contribution on behalf of the RHI Entities.

1.4 Acceptance of Assets and Assumption of Liabilities.

(a) In furtherance of the purposes of the Asbestos PI Trust, the Asbestos PI Trust, by and through its undersigned Trustees, hereby expressly accept the transfer and assignment to the Asbestos PI Trust of the Asbestos PI Trust Assets.

(b) In furtherance of the purposes of the Asbestos PI Trust, the Asbestos PI Trust, by and through its undersigned Trustees, expressly assume all liability for all Asbestos Unsecured PI Trust Claims and all obligations owed by the Asbestos PI Trust under the Plan and agree to indemnify the Halliburton Entities and Harbison-Walker Entities pursuant to the Asbestos PI Trust Indemnification Agreement attached as Annex 1 to this Asbestos PI Trust Agreement.

(c) Except as otherwise provided in the Asbestos TDP, the Asbestos PI Trust shall have all defenses regarding Asbestos Unsecured PI Trust Claims that a Halliburton Entity or Harbison-Walker Entity has or would have had under applicable law; *provided, however*, that nothing in the foregoing shall

serve to assign any right, claim, or cause of action of a Halliburton Entity or Harbison-Walker Entity against the holder of an Indirect Asbestos PI Trust Claim.

(d) No provision herein or in the Asbestos TDP shall be construed to mandate distributions on any claims or other actions that would contravene the Asbestos PI Trust's status as a qualified settlement trust within the meaning of Tres. Reg. 1-468B-1, *et seq.*

(e) The Halliburton Entities and the Harbison-Walker Entities shall be entitled to indemnification from the Asbestos PI Trust pursuant to the Indemnification Agreement attached as Annex 1 to this Asbestos PI Trust Agreement for any expenses, costs, and fees (including attorneys' fees and costs, but excluding any such expenses, costs, and fees incurred prior to the Effective Date and amounts funded pursuant to the Plan and the Asbestos PI Trust Documents), judgments, settlements, or other liabilities arising from or incurred in connection with any action asserting an Asbestos Unsecured PI Trust Claim for which the Asbestos PI Trust is responsible, including, but not limited to, any Indirect Asbestos PI Trust Claims, but excluding claims determined by the Debtors, or through exercise of remedies under article 12.2 of the Plan, to be Qualifying Settled Asbestos PI Trust Claims if and to the extent that the Asbestos PI Trust has not received funding under the Asbestos PI Trust Funding Agreement or Escrow Agreement sufficient to satisfy its obligations under the Plan to the holders of Qualifying Settled Asbestos PI Trust Claims.

(f) Nothing in this Asbestos PI Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Injunctions issued in connection with the Plan or the Asbestos PI Trust's assumption of all liability with respect to Asbestos Unsecured PI Trust Claims.

(g) In furtherance of the purposes of the Asbestos PI Trust, the Trustees, on behalf of the Asbestos PI Trust, shall make payments to holders of Qualifying Settled Asbestos PI Trust Claims in accordance with the Asbestos PI Trust Funding Agreement.

ARTICLE 2

POWERS AND ASBESTOS TRUST ADMINISTRATION

2.1 Powers.

(a) The Trustees are, and shall act as, fiduciaries to the Asbestos PI Trust in accordance with the provisions of this Asbestos PI Trust Agreement and the Plan. The Trustees shall, at all times, administer the Asbestos PI Trust and the Asbestos PI Trust Assets in accordance with article 1.2 of this Asbestos PI Trust Agreement.

(b) Subject to the limitations set forth in this Asbestos PI Trust Agreement, the Trustees shall have the power to take any and all actions that, in the judgment of the Trustees, are necessary or proper to fulfill the purposes of the Asbestos PI Trust, including, without limitation, each power expressly granted in this article 2.1, any power reasonably incidental thereto, and any trust power now or hereafter permitted under the laws of the Commonwealth of Pennsylvania.

(c) Except as required by applicable law or otherwise specified herein, the Trustees need not obtain the order or approval of any court in the exercise of any power or discretion conferred hereunder.

(d) Without limiting the generality of article 2.1(a) above, and except as limited below, the Trustees shall have the power to:

(i) receive and hold the Asbestos PI Trust Assets and vote the Halliburton Asbestos PI Trust Stock, and exercise all rights with respect to, and sell, the Halliburton Asbestos PI Trust Stock, subject to restrictions in the Stockholder Agreement;

(ii) invest the monies held from time to time by the Asbestos PI Trust;

(iii) sell, transfer, or exchange any or all of the Asbestos PI Trust Assets at such prices and upon such terms as they may consider proper, consistent with the other terms of this Asbestos PI Trust Agreement and, with respect to the Halliburton Asbestos PI Trust Stock, subject to restrictions in the Stockholder Agreement;

(iv) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Asbestos PI Trust to operate;

(v) pay liabilities and expenses of the Asbestos PI Trust, including, but not limited to, Asbestos PI Trust Expenses;

(vi) establish such funds, reserves (including indemnity reserves), and accounts within the estate of the Asbestos PI Trust, as deemed by the Trustees to be useful in carrying out the purposes of the Asbestos PI Trust;

(vii) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitral, or other proceeding;

(viii) amend the Asbestos PI Trust Bylaws in accordance with the terms thereof, a copy of which is annexed hereto as Annex 2;

(ix) establish, supervise, and administer the Asbestos PI Trust in accordance with the Asbestos TDP, a copy of which is annexed hereto as Annex 3, and administer, amend, supplement, or modify the Asbestos TDP in accordance with the terms thereof;

(x) appoint such officers, hire such employees, and engage such legal, financial, accounting, investment, auditing, forecasting, and other consultants, alternative dispute resolution panelists, or agents as the business of the Asbestos PI Trust requires, and delegate to such persons such powers and authorities as the fiduciary duties of the Trustees permit and as the Trustees, in their discretion, deem advisable or necessary in order to carry out the terms of this Asbestos PI Trust Agreement;

(xi) pay employees and legal, financial, accounting, investment, auditing, forecasting, and other consultants, advisors, and agents reasonable compensation, including, without limitation, compensation at rates approved by the Trustees for services rendered prior to the execution hereof;

(xii) compensate the Trustees, members of the Asbestos TAC, the Legal Representative, and their respective employees and legal, financial, accounting, investment, and other advisors, consultants, independent contractors, and agents, and reimburse them for all reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder, including, without limitation, costs and expenses incurred prior to the execution hereof;

(xiii) execute and deliver such instruments as the Trustees consider proper in administering the Asbestos PI Trust;

(xiv) enter into such other arrangements with third parties as are deemed by the Trustees to be useful in carrying out the purposes of the Asbestos PI Trust, provided such arrangements do not conflict with any other provision of this Asbestos PI Trust Agreement;

(xv) in accordance with article 4.6, indemnify (and purchase insurance indemnifying) the Trustees, the Legal Representative, the members of the Asbestos TAC, and the members, officers, employees, agents, advisors, and representatives of the Asbestos PI Trust and the Legal Representative to the fullest extent that a corporation or trust organized under the law of the Asbestos PI Trust's situs is entitled to indemnify and/or insure its directors, trustees, officers, employees, agents, advisors, and representatives;

(xvi) delegate any or all of the authority herein conferred with respect to the investment of all, or any portion of, the Asbestos PI Trust Assets to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in article 4.4;

(xvii) consult with the Reorganized Debtors and Halliburton at such times and with respect to such issues relating to the conduct of the Asbestos PI Trust as the Trustees consider desirable;

(xviii) merge, contract with, or own an interest in, other claims-resolution facilities that are not specifically created by this Asbestos PI Trust Agreement or the Asbestos TDP; *provided, however*, that such merger or contract shall not (A) subject any of the Halliburton Entities or Harbison-Walker Entities or any successor or successor-in-interest thereto to any risk of having any Asbestos Unsecured PI Trust Claim asserted against it or them or (B) otherwise jeopardize the validity or enforceability of the Injunctions; and

(xix) reimburse the Debtors for any amounts advanced by them as compensation or reimbursement under the Order Authorizing Payment of Fees and Expenses of the Proposed Initial Trustees of the Asbestos PI Trust and their Legal Counsel and Financial Advisors dated April 24, 2004.

(e) The Trustees shall not have the power to guarantee any debt of other Persons.

(f) The Trustees shall give the Asbestos TAC and the Legal Representative prompt notice of any act performed or taken pursuant to article 2.1(d)(vii), (viii), (ix), and (xvi) and article 2.2(f).

2.2 General Administration.

(a) The Trustees shall act in accordance with the Asbestos PI Trust Bylaws. To the extent not inconsistent with the terms of this Asbestos PI Trust Agreement, the Asbestos PI Trust Bylaws shall govern the affairs of the Asbestos PI Trust. In the event of an inconsistency between the Asbestos PI Trust Bylaws and this Asbestos PI Trust Agreement, the Asbestos PI Trust Agreement shall govern. In the event of an inconsistency between the Asbestos PI Trust Bylaws or this Asbestos PI Trust Agreement and the Plan, the Plan shall govern.

(b) The Trustees shall timely file such income tax and other returns and statements and comply with all withholding obligations, as required under the applicable provisions of the IRC and of any state law and the regulations promulgated thereunder, including, without limitation, all requirements necessary to qualify and maintain qualification of the Asbestos PI Trust as a qualified settlement fund, and shall timely pay all taxes required to be paid.

(c) The Trustees shall timely account to the Bankruptcy Court as follows:

(i) The Trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred and twenty (120) days following the end of each fiscal year, an annual report containing financial statements of the Asbestos PI Trust (including, without limitation, a balance sheet of the Asbestos PI Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustees shall provide a copy of such report to the Asbestos TAC, the Legal Representative, the Reorganized Debtors, and Halliburton when such report is filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in article 2.2(c)(i) above, the Trustees shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The Trustees shall provide a copy of such report to the Office of the United States Trustee for the Western District of Pennsylvania, Pittsburgh Division, the Asbestos TAC, the Legal Representative, the Reorganized Debtors, and Halliburton when such report is filed.

(iii) All materials required to be filed with the Bankruptcy Court by this article 2.2(c) shall be available for inspection by the public in accordance with procedures, if any, established by the Bankruptcy Court, and shall be filed with the Office of the United States Trustee for the Western District of Pennsylvania, Pittsburgh Division. Notwithstanding the foregoing, the Trustees, on notice to the Office of the United States Trustee for the Western District of Pennsylvania, Pittsburgh Division, the Asbestos TAC, the Legal Representative, the Reorganized Debtors, and Halliburton may request that the Bankruptcy Court authorize the filing under seal of any confidential materials or information related to the Asbestos PI Trust.

(iv) The Reorganized Debtors and Halliburton shall be entitled to disclose to insurers providing coverage for asbestos or silica liabilities confidential materials or information provided to them by the Asbestos PI Trust, provided that such insurers have entered into an agreement, in a form agreed to by the Reorganized Debtors and the Asbestos PI Trust or determined by the Bankruptcy Court to be appropriate, to preserve the confidentiality of such information.

(d) The Trustees shall cause to be prepared as soon as practicable prior to the commencement of each fiscal year a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The Trustees shall provide a copy of the budget and cash flow projections to the Asbestos TAC, the Legal Representative, the Reorganized Debtors, and Halliburton.

(e) The Trustees shall consult with the Asbestos TAC and the Legal Representative on (i) the implementation and administration of the Asbestos TDP, (ii) the implementation of the Asbestos PI Trust Agreement and the administration of the Asbestos PI Trust, and (iii) such other matters as may be required under the Asbestos PI Trust Agreement and/or the Asbestos TDP.

(f) The Trustees shall be required to obtain the consent of the Asbestos TAC and the Legal Representative pursuant to the Consent Process set forth in articles 5.7(b) and 6.6(b) below, in addition to any other instances elsewhere enumerated, in order to:

(i) determine or modify the Payment Percentage described in section 2.3 of the Asbestos TDP as provided in section 4.2 of the Asbestos TDP;

(ii) implement and change the Claims Payment Ratio described in section 2.5 of the Asbestos TDP in the event that the requirements for such a change as set forth in said provision have been met;

(iii) change the Scheduled Values, Disease Levels, and/or Medical/Exposure Criteria set forth in section 5.3(a)(3) of the Asbestos TDP, and/or the Maximum Values set forth in section 5.3(b)(3) and section 5.4(a) of the Asbestos TDP;

(iv) establish and/or change the Claims Materials to be provided to the holders of Asbestos Unsecured PI Trust Claims under section 6.1 of the Asbestos TDP;

(v) require that Asbestos PI Trust Claimants provide additional kinds of medical evidence pursuant to section 7.1 of the Asbestos TDP;

(vi) change the form of release to be provided pursuant to section 7.8 of the Asbestos TDP;

(vii) terminate the Asbestos PI Trust pursuant to article 7.2 below;

(viii) change the compensation and/or per diem of the members of the Asbestos TAC, the Legal Representative, or the Trustees, other than to reflect cost-of-living increases or changes approved by the Bankruptcy Court, as otherwise provided herein;

(ix) take structural or other actions to minimize any tax on the Asbestos PI Trust Assets;

(x) own an interest in an asbestos claims-resolution organization, merge with any asbestos claims-resolution organization formed by the Asbestos PI Trust with another asbestos claims-resolution organization that is not specifically created by this Asbestos PI Trust Agreement or the Asbestos TDP, or contract with another asbestos claims-resolution organization or other entity that is not specifically created by this Asbestos PI Trust Agreement or the Asbestos TDP, or permit any other party to join in any asbestos claims-resolution organization that is formed by the Asbestos PI Trust pursuant to the Asbestos PI Trust Agreement or the Asbestos TDP; *provided, however*, that such merger, contract, or joinder shall not (a) subject any of the Halliburton Entities or Harbison-Walker Entities, or any successor or successors-in-interest thereto, to any risk of having any Asbestos Unsecured PI Trust Claim asserted against them, or (b) otherwise jeopardize the validity or enforceability of the Injunctions; and *provided further* that the terms of such merger will require the surviving organization to make decisions about the allow ability and value of claims in accordance with section 2.1 of the Asbestos TDP, which requires that such decisions be based on the provisions of the Asbestos TDP; or

(xi) amend the Asbestos PI Trust Agreement or the Asbestos TDP.

(g) The Trustees shall meet with the Asbestos TAC and the Legal Representative not less often than quarterly. The Trustees, the Asbestos TAC, and the Legal Representative shall meet in the interim upon reasonable request of any of them.

(h) The Trustees, upon notice from either the Asbestos TAC or the Legal Representative, if practicable in view of pending business, shall, at their next regular meeting (or, if appropriate, at a specially called meeting), place on their agenda, and consider, issues submitted by the Asbestos TAC or the Legal Representative.

(i) Periodically, but not less often than once a year, the Trustees shall make available to Asbestos PI Trust Claimants and other interested parties the number of Asbestos Unsecured PI Trust

Claims by Disease Level that have been resolved both by individual review and by arbitration, as well as by trial, indicating the amounts of the awards and the averages of the awards by jurisdiction.

2.3 Claims Administration.

The Trustees shall proceed promptly to implement the Asbestos TDP. Satisfaction of the obligations of the Asbestos PI Trust to holders of Qualifying Settled Asbestos PI Trust Claims shall occur only through the procedures and mechanisms set forth in the Asbestos PI Trust Funding Agreement. In no event shall the Trustees make distributions on account of a Settled Asbestos PI Trust Claim unless such claim (a) has been qualified for payment by the Debtors or through the dispute resolution procedures set forth in article 12.2 of the Plan and (b) the Asbestos PI Trust has received funds pursuant to the Asbestos PI Trust Funding Agreement and/or Escrow Agreement sufficient to cover disbursements to the holder of such claim pursuant to the Plan; *provided, however*, that nothing in the foregoing shall be construed to bar (i) the holder of a claim that has been determined not to be a Qualifying Settled Asbestos PI Trust Claim from asserting a claim for liquidation under the Asbestos TDP or (ii) the Asbestos PI Trust from paying such liquidated claim in accordance with the Asbestos TDP through assets of the Asbestos PI Trust other than those received under the Asbestos PI Trust Funding Agreement.

2.4 Claim Reporting.

Not later than the thirtieth (30th) day after the end of each calendar quarter, the Trustees shall provide the Reorganized Debtors with a report containing the information detailed and set forth in Paragraph X(B) of the Settlement Agreement and Mutual Release between Halliburton, DII Industries, and certain Underwriters at Lloyd's, London, dated January 28, 2004.

ARTICLE 3

ACCOUNTS, INVESTMENTS, AND PAYMENTS

3.1 Accounts.

The Trustees may create, from time to time, such accounts and reserves within the estate of the Asbestos PI Trust as they may deem necessary, prudent, or useful in order to provide for the payment of expenses and valid Asbestos Unsecured PI Trust Claims and may, with respect to any such account or reserve, restrict the use of monies therein.

3.2 Investments.

Investment of monies held in the Asbestos PI Trust shall be administered in the manner in which individuals of ordinary prudence, discretion, and judgment would act in the management of their own affairs, subject to the following limitations and provisions:

(a) The Asbestos PI Trust shall be permitted to acquire or hold - directly or indirectly- any common or preferred stock, convertible securities or other equity interest in any Person; provided however, that the Asbestos PI Trust shall not acquire or hold, directly or indirectly, any such stock or securities in any business enterprise (other than the Reorganized Debtors, Halliburton, or any successor to, or successor-in-interest of, the Reorganized Debtors or Halliburton) if, immediately following such acquisition, the Asbestos PI Trust would hold more than 5% of the equity in such Person or business enterprise.

(b) The Asbestos PI Trust shall not acquire or hold for longer than ninety (90) days any long-term debt securities unless (i) such securities are Asbestos PI Trust Assets under the Plan, (ii) such securities are rated "Baa" or higher by Moody's, "BBB" or higher by S&P's, or have been given an equivalent investment grade rating by another nationally recognized statistical rating agency, or (iii) such securities have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof. This restriction does not apply to any pooled investment vehicles where pooled assets receive a "BBB" rating or above by a nationally recognized statistical rating agency. In collateralized pools of assets, it is the rating of a particular investment tranche that is subject to the investment grade restriction. In addition, the Asbestos PI Trust may acquire and hold non-investment grade debt securities, provided however, that the Asbestos PI Trust shall not acquire or hold for longer than ninety (90) days any non-investment grade debt securities in an amount that exceeds 5% of the aggregate market value of the total assets of the Asbestos PI Trust.

(c) The Asbestos PI Trust shall not acquire, or hold for longer than ninety (90) days, any commercial paper unless such commercial paper is rated "Prime-I" or higher by Moody's, or "A-I" or higher by S&P's, or has been given an equivalent rating by another nationally recognized statistical-rating agency.

(d) Other than securities or other instruments that are Asbestos PI Trust Assets and options with respect to securities of Halliburton acquired or held in connection with hedging transactions intended to transfer some or all of the economic risk of ownership of the Asbestos PI Trust Assets, the Asbestos PI Trust shall not acquire or hold any securities or other instruments issued by any Person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) if, following such acquisition, the aggregate market value of all securities and instruments issued by such Person held by the Asbestos PI Trust would exceed 2% of the aggregate value of the Asbestos PI Trust Estate.

(e) Excluding any securities or other instruments that are Asbestos PI Trust Assets, the Asbestos PI Trust shall not acquire or hold any certificates of deposit unless all publicly held long-term debt securities, if any, of the financial institution issuing the certificate of deposit, and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in article 3.2(b) of this Asbestos PI Trust Agreement.

(f) The Asbestos PI Trust may acquire and hold any securities or instruments issued by Reorganized Debtors, or its subsidiaries, affiliates, or successors, without regard to the limitations set forth in subsections (a)-(f) above.

(g) The Asbestos PI Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Trustees, they are adequately collateralized.

(h) The Asbestos PI Trust shall not acquire or hold any options, other than options with respect to securities of Halliburton (or any successor thereto) acquired or held in connection with hedging transactions intended to transfer some or all of the economic risk of ownership of the Asbestos PI Trust Assets.

(i) The Asbestos PI Trust may allow its investment managers prudently to acquire or hold derivative instruments in the normal course of portfolio management. Without limiting the generality of the foregoing, the Asbestos PI Trust may acquire or hold derivatives to manage portfolio risk, including, but not limited to, interest rate risk and equity market risk.

(j) Notwithstanding anything to the contrary in article 3.2 (a) – (j), the Asbestos PI Trust may acquire or hold Hedge Funds or Hedge Funds of Funds (each as defined below). The investments made by any Hedge Fund or Hedge Fund of Funds need not comply with the investment guidelines set forth in article 3.2 (a) – (j) and shall not be deemed acquired or held by the Asbestos PI Trust for purposes of this article 3.2. The Asbestos PI Trust shall not acquire an interest in a particular Hedge Fund if, immediately following such acquisition, the aggregate market value of the Asbestos PI Trust's interest in such Hedge Fund would exceed 2% of the aggregate market value of the Asbestos PI Trust's assets. The Asbestos PI Trust shall not hold an interest in a particular Hedge Fund to the extent that the aggregate market value of the Asbestos PI Trust's interest in such Hedge Fund would exceed 4% of the aggregate market value of the Asbestos PI Trust estate. The Asbestos PI Trust shall not acquire an interest in a Hedge Fund or a Hedge Fund of Funds if, immediately following such acquisition, the aggregate market value of the Trust's interest in all Hedge Funds and Hedge Funds of Funds would exceed 10% of the aggregate market value of the Asbestos PI Trust estate. The Asbestos PI Trust shall not hold an interest in a Hedge Fund or a Hedge Fund of Funds to the extent that the aggregate market value of the Asbestos PI Trust's interest in such Hedge Fund and Hedge Fund of Funds would exceed 12% of the aggregate market value of the Asbestos PI Trust's assets. A Hedge Fund is a single fund that is managed by a single or multiple investment manager(s), with one or more investment strategies, and that invests in equities, fixed income instruments, convertible bonds, preferred stocks or such other instruments that, in the opinion of the manager(s), will fulfill the fund's investment strategy(ies). A Hedge Fund of Funds is a fund that holds interests in multiple Hedge Funds.

(k) The Asbestos PI Trust may lend securities on a short-term basis, subject to adequate, normal and customary collateral arrangements.

(l) The Asbestos PI Trust may, to diversify portfolio risk and reduce volatility, acquire or hold alternative investments that do not meet the above criteria if the aggregate market value of such alternative investments acquired or held by the Asbestos PI Trust does not exceed five per cent (5%) of the aggregate market value of the total assets of the Asbestos PI Trust.

(m) The Asbestos PI Trust shall be entitled to pledge the Halliburton shares in connection with hedging transactions or loan transactions. All actions taken by the Asbestos PI Trust with respect to the Halliburton Asbestos PI Trust Stock, including but not limited to pledge of such shares in connection with hedging transactions to the extent permitted by this document, shall be consistent with and subject to any restrictions or limitations imposed by the Stockholder Agreement.

3.3 Source of Payments.

Except as provided in the Asbestos PI Trust Funding Agreement, all Asbestos PI Trust Expenses and payments, and all liabilities with respect to Asbestos Unsecured PI Trust Claims, shall be payable solely by the Asbestos PI Trust out of the Asbestos PI Trust Assets. Except as specifically provided herein, neither the Debtor-Affiliated Protected Parties nor the Trustees, or any of their officers, agents, advisors, or employees, shall be liable for the payment of any Asbestos PI Trust Expense or any other liability of the Asbestos PI Trust, except as provided in article 5.1(e) of the Plan.

ARTICLE 4

TRUSTEES4.1 Number.

There shall be three (3) Trustees. The initial Trustees shall be Mark A. Gleason, Alan R. Kahn, and the Honorable Robert M. Parker. As soon as practicable after the Effective Date, one Trustee shall be designated Managing Trustee, by vote of the Trustees, to serve in accordance with the Asbestos PI Trust Bylaws.

4.2 Term of Service.

(a) The initial Trustees named pursuant to article 4.1 shall serve the staggered terms of three (3), four (4), and five (5) years as shown on the signature pages hereof. Thereafter, each term of service shall be five (5) years. Each initial Trustee shall serve from the Effective Date until the earlier of (i) the end of his or her term, (ii) his or her death, (iii) his or her resignation pursuant to article 4.2(b), (iv) his or her removal pursuant to article 4.2(c), or (v) the termination of the Asbestos PI Trust pursuant to article 7.2.

(b) Any Trustee may resign at any time by written notice to each of the remaining Trustees, the Asbestos TAC, and the Legal Representative. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) Any Trustee may be removed by unanimous vote of the remaining Trustees in the event that such Trustee becomes unable to discharge his or her duties hereunder due to accident, physical or mental deterioration, or for other good cause.

(d) Good cause shall be deemed to include, without limitation, any substantial failure to comply with article 2.2, a consistent pattern of neglect and failure to perform or participate in performing the duties of the Trustees hereunder, or repeated nonattendance at scheduled meetings. Such removal shall require the approval of the Bankruptcy Court and shall take effect at such time as the Bankruptcy Court shall determine.

4.3 Appointment of Successor Trustee.

(a) In the event of a vacancy in the position of Trustee, the vacancy shall be filled by the unanimous vote of the remaining Trustees, or if such vacancy has not been filled, within ninety (90) days, by the majority vote of the remaining Trustees, the members of the Asbestos TAC, and the Legal Representative.

(b) In the event the remaining Trustees cannot agree on a successor Trustee, or a majority of the members of the Asbestos TAC or the Legal Representative vetoes appointment of a successor Trustee, the Bankruptcy Court shall make the appointment. Nothing shall prevent appointment of a Trustee for successive terms.

(c) Immediately upon the appointment of any successor Trustee, all rights, titles, duties, powers, and authority of the predecessor Trustee hereunder shall be vested in, and undertaken by, the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

(d) Each successor Trustee shall serve until the earlier of (i) the end of a full term of five (5) years if the predecessor to such Trustee has completed his or her term, (ii) the end of the remainder of the term of the predecessor Trustee whom he or she is replacing if such Trustee did not complete his or her term, (iii) his or her death, (iv) his or her resignation pursuant to article 4.2(b) of this Asbestos PI Trust Agreement, (v) his or her removal pursuant to article 4.2(c) of this Asbestos PI Trust Agreement, or (vi) termination of the Asbestos PI Trust pursuant to article 7.2 of this Asbestos PI Trust Agreement.

4.4 Liability of Trustees, Officers, and Employees.

No Trustee, officer, or employee of the Asbestos PI Trust, member of the Asbestos TAC, or person serving as Legal Representative shall be liable to the Asbestos PI Trust to any person holding an Asbestos Unsecured PI Trust Claim, or to any other Person, except for such individual's own breach of trust committed in bad faith or willful misappropriation.

Such protection may, in the discretion of the Trustees, be extended to the agents, advisors, or consultants of the Asbestos PI Trust, the Asbestos TAC, or the Legal Representative (to the extent so indemnified, each an "Additional Indemnitee" and collectively the "Additional Indemnitees"). No Trustee, officer, or employee of the Asbestos PI Trust or person serving as Legal Representative shall be liable for any act or omission of any other officer, employee, agent, or consultant of the Asbestos PI Trust or the Legal Representative, unless the Trustee, officer, employee of the Asbestos PI Trust or the Legal Representative, or person serving as Legal Representative, respectively, acted with bad faith in the selection or retention of such officer, employee, agent, or consultant.

4.5 Compensation and Expenses of Trustees.

(a) Each of the Trustees of the Asbestos PI Trust shall receive compensation from the Asbestos PI Trust for his or her services as Trustee in the amount of \$60,000 per annum, plus hourly compensation at the rate of \$500 per hour for meetings attended or other Asbestos PI Trust business performed; *provided, however*, that a Trustee shall not receive hourly compensation for the first eight hours of each calendar quarter that such Trustee devotes to meetings or activities of the Asbestos PI Trust and *provided, further*, that the Trustee serving as Managing Trustee shall be compensated as established from time to time by the other Trustees, the Asbestos TAC, and the Legal Representative. The compensation payable to the Trustees shall be reviewed annually and appropriately adjusted to reflect changes in cost of living as measured by the consumer price index established by the Government of the United States.

(b) The Asbestos PI Trust will promptly reimburse the Trustees for all reasonable out-of-pocket costs and expenses incurred by the Trustees in connection with the performance of their duties hereunder.

(c) The Asbestos PI Trust will include a description of the amounts paid under this article 4.5 in the reports to be filed with the Bankruptcy Court and provided to the Asbestos TAC, the Legal Representative, the Reorganized Debtors, and Halliburton pursuant to article 2.2(c)(i) of this Asbestos PI Trust Agreement.

4.6 Indemnification of Trustees and Additional Indemnitees.

(a) The Asbestos PI Trust shall indemnify and defend the Trustees and the Asbestos PI Trust's officers and employees to the fullest extent that a corporation or trust organized under the laws of the Asbestos PI Trust's situs is entitled to indemnify and defend its directors, trustees, officers, and employees against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties hereunder or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, and funding of the Asbestos PI Trust. Notwithstanding the

foregoing, neither the Trustees nor the officers or employees of the Asbestos PI Trust shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which they are ultimately liable under article 4.4.

Additionally, any of the Additional Indemnitees who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative, or arbitral action, by reason of any act or omission of such Additional Indemnitees with respect to (i) the Reorganization Cases and any act or omission undertaken by them prior to the commencement thereof, (ii) the liquidation of any Asbestos Unsecured PI Trust Claims, (iii) the administration of the Asbestos PI Trust and the implementation of the Asbestos TDP, or (iv) any activities in connection with the Asbestos PI Trust Agreement, shall be indemnified and defended by the Asbestos PI Trust, to the fullest extent that a corporation or trust organized under the laws of the Asbestos PI Trust's situs is from time to time entitled to indemnify and defend its officers, directors, trustees, and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement, and liabilities of all kinds incurred by each Additional Indemnatee in connection with or resulting from such action, suit, or proceeding, if he or she acted in good faith and in a manner such Additional Indemnatee reasonably believed to be in, or not opposed to, the best interests of the holders of Asbestos Unsecured PI Trust Claims whom the Additional Indemnitees represent.

(b) Reasonable expenses, costs, and fees (including attorneys' fees and costs) incurred by or on behalf of a Trustee or an Additional Indemnatee in connection with any action, suit, or proceeding, whether civil, administrative, or arbitral, from which they are indemnified by the Asbestos PI Trust pursuant to article 4.6(a), shall be paid by the Asbestos PI Trust in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such Trustee or Additional Indemnatee to repay such amount in the event that it shall be determined ultimately by Final Order that such Trustee or Additional Indemnatee is not entitled to be indemnified by the Asbestos PI Trust.

(c) The Trustees shall have the power, generally or in specific cases, to cause the Asbestos PI Trust to indemnify the agents, attorneys, advisors, or consultants of the Asbestos PI Trust to the same extent as provided in this article 4.6 with respect to the Trustees.

(d) Any indemnification under article 4.6(c) of this Asbestos PI Trust Agreement shall be made by the Asbestos PI Trust upon a determination by the Trustees that indemnification of such Person is proper under the circumstances.

(e) The Trustees may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, a member of the Asbestos TAC, Legal Representative, officer, employee, agent, representative, attorney, advisor, or consultant of the Asbestos PI Trust, or Additional Indemnatee against liability asserted against, or incurred by, such individual in that capacity or arising from his or her status as a Trustee, member of the Asbestos TAC, Legal Representative, Asbestos PI Trust's officer, employee, agent, representative, attorney, advisor, or consultant of the Asbestos PI Trust, or Additional Indemnatee.

4.7 Trustees' Lien.

The Trustees and Additional Indemnitees shall have a first-priority lien upon the Asbestos PI Trust Assets to secure the payment of any amounts payable to them pursuant to article 4.5 or 4.6.

4.8 Trustees' Employment of Experts.

The Trustees may, but shall not be required to, retain and/or consult with counsel, accountants, appraisers, auditors and forecasters, and other parties deemed by the Trustees to be qualified as experts on the matters submitted to them, and the opinion of any such parties on any matters submitted to them by the Trustees shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustees hereunder in good faith and in accordance with the written opinion of any such party.

4.9 Trustees' Independence.

No Trustee shall, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for, the Reorganized Debtors or any of their respective parents or affiliates.

No Trustee shall act as an attorney for any Person who holds an Asbestos Unsecured PI Trust Claim.

4.10 Bond.

The Trustees shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

ARTICLE 5

TRUST ADVISORY COMMITTEE

5.1 Members.

The initial members of the Asbestos TAC shall be those persons set forth in the Confirmation Order.

5.2 Duties.

The members of the Asbestos TAC shall serve in a fiduciary capacity representing all holders of present Asbestos Unsecured PI Trust Claims. The Trustees shall be required to consult with the Asbestos TAC on matters identified in article 2.2(e) above and in other provisions herein, and shall be required to obtain the consent of the Asbestos TAC on matters identified in article 2.2(f) above. Where provided in the Asbestos TDP, certain other actions by the Trustees are also subject to the consent of the Asbestos TAC.

5.3 Term of Office.

(a) The seven initial members of the Asbestos TAC shall serve the staggered three-, four-, or five-year terms shown on the signature pages hereof. Thereafter, each term of service shall be five years. A member of the Asbestos TAC shall serve until the earlier of (i) the end of his or her term, (ii) his or her death, (iii) his or her resignation pursuant to article 5.3(b) below, (iv) his or her removal pursuant to article 5.3(c) below, or (v) the termination of the Asbestos PI Trust pursuant to article 7.2 below.

(b) A member of the Asbestos TAC may resign at any time by written notice to the other members of the Asbestos TAC, the Trustees, and the Legal Representative. Such notice shall specify a date when such resignation shall take effect, which, where practicable, shall not be less than ninety (90) days after the date such notice is given.

(c) A member of the Asbestos TAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical or mental deterioration, or other good cause, such as a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, or repeated nonattendance at scheduled meetings. Such removal shall be made at the recommendation of the remaining members of the Asbestos TAC and with the approval of the Bankruptcy Court.

5.4 Appointment of Successor.

In the event of a vacancy caused by the resignation or term expiration of an Asbestos TAC member, his or her successor shall be selected by the Asbestos TAC member who is resigning or whose term is expiring or by that member's law firm in the event that such member has not pre-selected a successor. If neither the member nor the member's law firm make a selection in accordance with the foregoing provision, the member's successor shall be chosen by a majority of the remaining members of the Asbestos TAC. If a majority of the remaining members cannot agree, the remaining members shall request that the Bankruptcy Court appoint the successor.

In the event of a vacancy caused by removal or death of an Asbestos TAC member, the remaining members of the Asbestos TAC vote shall name the successor by majority vote. If the remaining members of the Asbestos TAC cannot reach agreement, the remaining members shall request that the Bankruptcy Court appoint the successor.

Each successor Asbestos TAC member shall serve until the earlier of (i) the end of a full term of five (5) years if his or her predecessor member completed his or her term, (ii) the end of the remainder of the term of the member whom he or she is replacing if said predecessor member did not complete said term, (iii) his or her death, (iv) his or her resignation pursuant to article 5.3(b) of this Asbestos PI Trust Agreement, (v) his or her removal pursuant to article 5.3(c) of this Asbestos PI Trust Agreement, or (vi) the termination of the Asbestos PI Trust pursuant to article 7.2 of this Asbestos PI Trust Agreement. Nothing shall prevent appointment of a TAC member for successive terms.

5.5 Asbestos TAC's Employment of Professionals.

(a) The Asbestos TAC may, but is not required to, retain and/or consult counsel, accountants, appraisers, auditors, forecasters, experts, financial and investment advisors, and such other parties deemed by the Asbestos TAC to be qualified as experts on matters submitted to the Asbestos TAC (collectively, the "Asbestos TAC Professionals"). The Asbestos TAC and the Asbestos TAC Professionals shall at all times have complete access to the Asbestos PI Trust's officers, employees, and agents, as well as to the Asbestos TAC Professionals retained by the Asbestos PI Trust, and shall also have complete access to all information generated by them or otherwise available to the Asbestos PI Trust or the Trustees; *provided, however*, that nothing herein shall grant the Asbestos TAC or Asbestos TAC Professionals access to privileged attorney-client materials or advice provided by counsel to the Asbestos PI Trust. In the absence of gross negligence, the written opinion of, or information provided by, any Asbestos TAC Professional deemed by the Asbestos TAC to be qualified as an expert on the particular matter submitted to the Asbestos TAC shall be full and complete authorization and protection in support of any action taken or not taken by the Asbestos TAC in good faith and in accordance with the written opinion of, or information provided by, the Asbestos TAC Professional.

(b) The Asbestos PI Trust shall promptly reimburse, or pay directly if so instructed, the Asbestos TAC for all reasonable fees and costs associated with the Asbestos TAC's employment of legal counsel pursuant to the above provision in connection with the Asbestos TAC's performance of its duties hereunder. The Asbestos PI Trust shall also promptly reimburse, or pay directly if so instructed, the

Asbestos TAC for all reasonable fees and costs associated with the Asbestos TAC's employment of any other Asbestos TAC Professional pursuant to the above provision in connection with the Asbestos TAC's performance of its duties hereunder; *provided, however*, that (i) the Asbestos TAC has first submitted to the Asbestos PI Trust a written request for such reimbursement setting forth the reasons (A) why the Asbestos TAC desires to employ such Asbestos TAC Professional and (B) why the Asbestos TAC cannot rely on professionals retained by the Asbestos PI Trust to meet the need of the Asbestos TAC for such expertise or advice, and (ii) the Asbestos PI Trust has approved the Asbestos TAC's request for reimbursement in writing. If the Asbestos PI Trust agrees to pay for the Asbestos TAC Professional, such reimbursement shall be treated as an Asbestos PI Trust Expense. If the Asbestos PI Trust declines to pay for the Asbestos TAC Professional, it must set forth its reasons in writing. If the Asbestos TAC still desires to employ such Asbestos TAC Professional as an Asbestos PI Trust Expense, the Asbestos TAC and/or the Trustees shall resolve their dispute pursuant to article 7.13 below.

5.6 Compensation and Expenses of Asbestos TAC.

The initial compensation rate for each member of the Asbestos TAC shall be \$500.00 for each hour spent in connection with his or her duties as a member of the Asbestos TAC, which rate of compensation shall be reviewed annually and appropriately adjusted to reflect changes in the cost of living as measured by the consumer price index established by the Government of the United States. The members of the Asbestos TAC also shall be reimbursed promptly for all reasonable out-of-pocket costs and expenses incurred in connection with the performance of their duties hereunder. Such reimbursement or direct payment shall be deemed an Asbestos PI Trust Expense.

The Asbestos PI Trust shall include a description of the amounts paid under this article 5.6 in the accounts to be filed with the Bankruptcy Court and provided to the Trustees, the Legal Representative, the Reorganized Debtors, and Halliburton pursuant to article 2.2(c)(i) of this Asbestos PI Trust Agreement.

5.7 Procedures for Consultation with and Obtaining the Consent of the Asbestos TAC.

(a) Consultation Process.

(i) In the event the Trustees are required to consult with the Asbestos TAC pursuant to article 2.2(e) above or on other matters as provided herein, the Trustees shall provide the Asbestos TAC with written advance notice of the matter under consideration and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustees shall also provide the Asbestos TAC with such reasonable access to professionals and other experts retained by the Asbestos PI Trust and its staff (if any) as the Asbestos TAC may reasonably request during the time that the Trustees are considering such matter, and shall also provide the Asbestos TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustees.

(ii) The Trustees shall take into consideration the time required for the Asbestos TAC to engage and consult, if its members so wish, with its own independent financial or investment advisors as to such matter.

(b) Consent Process.

(i) In the event the Trustees are required to obtain the consent of the Asbestos TAC pursuant to article 2.2(f) above, the Trustees shall provide the Asbestos TAC with a written notice stating that its consent is being sought pursuant to that provision, describing in detail the nature and scope of the action the Trustees propose to take, and explaining in detail the reasons why the Trustees desire to take such

action. The Trustees shall provide the Asbestos TAC as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustees also shall provide the Asbestos TAC with such reasonable access to professionals and other experts retained by the Asbestos PI Trust and its staff (if any) as the Asbestos TAC may reasonably request during the time that the Trustees are considering such action, and shall also provide the Asbestos TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustees.

(ii) The Asbestos TAC shall consider in good faith and in a timely fashion any request for its consent by the Trustees, and shall in any event advise the Trustees in writing of its consent or its objection to the proposed action within thirty (30) days of receiving the original request for consent from the Trustees. The Asbestos TAC may not withhold its consent unreasonably. If the Asbestos TAC decides to withhold its consent, it shall explain in detail its objections to the proposed action. If the Asbestos TAC does not advise the Trustees in writing of its consent or its objections to the action within thirty (30) days of receiving notice regarding such request, the Asbestos TAC's consent to the proposed actions shall be deemed to have been affirmatively granted.

(iii) If, after following the procedures specified in this article 5.7(b), the Asbestos TAC continues to object to the proposed action and to withhold its consent to the proposed action, the Trustees and/or the Asbestos TAC shall resolve their dispute pursuant to article 7.13. However, the burden of proof with respect to the validity of the Asbestos TAC's objection and withholding of its consent shall be on the Asbestos TAC.

ARTICLE 6

THE LEGAL REPRESENTATIVE

6.1 Duties.

The Legal Representative shall serve in a fiduciary capacity, representing the interests of the future Asbestos PI Trust Claimants, for the purpose of protecting the rights of persons who might subsequently assert future and unknown Demands. The Trustees must consult with the Legal Representative on matters identified in article 2.2(e), must obtain the consent of the Legal Representative on matters identified in article 2.2(f), and may consult with the Legal Representative on any matter affecting the Asbestos PI Trust. Where provided in this Asbestos PI Trust Agreement or the Asbestos TDP, certain actions of the Trustees are subject to the consent of the Legal Representative.

6.2 Term of Office.

(a) The Legal Representative shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to article 5.2(b), (iii) his or her removal pursuant to article 5.2(c), or (iv) the termination of the Asbestos PI Trust pursuant to article 7.2.

(b) The Legal Representative may resign at any time by written notice to the Trustees. Such notice shall specify a date when such resignation shall take effect, which, where practicable, shall not be less than ninety (90) days after the date such notice is given.

(c) The Legal Representative may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical or mental deterioration, or other good cause, such as a consistent pattern of neglect and failure to perform or to participate in performing the duties hereunder, or repeated nonattendance at scheduled meetings. Such removal shall be made by the unanimous decision of the Trustees.

6.3 Appointment of Successor.

A vacancy caused by resignation shall be filled prior to the effective date of such resignation with an individual nominated by the resigning Legal Representative. A vacancy for any other reason, or in the absence of a nomination by the Legal Representative, shall be filled with an individual selected by majority vote of the Trustees and the Asbestos TAC. The successor Legal Representative shall, in either case, be subject to Bankruptcy Court approval.

6.4 Legal Representative's Employment of Professionals.

Subject to the conditions in article 6.5(b), the Legal Representative may retain and/or consult with counsel, accountants, appraisers, financial and investment advisors, auditors, forecasters, asbestos experts, and other parties deemed by the Legal Representative to be qualified as experts (the "Legal Representative Professionals") on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the Legal Representative hereunder in good faith and in accordance with the written opinion of any such party and in the absence of gross negligence. The Legal Representative and his or her experts shall at all times have complete access to the Asbestos PI Trust's officers, employees, and agents, and the accountants, appraisers, auditors, forecasters, and other experts retained by the Asbestos PI Trust as well as all information generated by them or otherwise available to the Asbestos PI Trust or Trustees; *provided, however*, that nothing herein shall grant the Legal Representative or the Legal Representative Professionals access to privileged attorney-client materials or advice provided by counsel to the Asbestos PI Trust.

6.5 Compensation and Expenses of the Legal Representative.

(a) The initial compensation rate for the Legal Representative shall be \$600.00 for each hour spent in connection with his duties as Legal Representative, which rate of compensation shall be reviewed annually and appropriately adjusted to reflect changes in the cost of living as measured by the consumer price index established by the Government of the United States. The Asbestos PI Trust will promptly reimburse, or pay directly if so instructed, the Legal Representative for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of legal counsel in connection with the performance of his or her duties.

(b) The Asbestos PI Trust also shall promptly reimburse, or pay directly if so instructed, all reasonable fees and expenses of the Legal Representative Professionals; *provided, however*, that (i) the Legal Representative previously shall have submitted a written request to the Asbestos PI Trust setting forth the reasons (A) why the Legal Representative desires to employ such Legal Representative Professional and (B) why the Legal Representative cannot rely on professionals retained by the Asbestos PI Trust to meet the needs of the Legal Representative for such expertise or advice, and (ii) the Asbestos PI Trust has approved the Legal Representative's request for reimbursement in writing. If the Asbestos PI Trust agrees to pay for a Legal Representative Professional, such expenses shall be treated as an Asbestos PI Trust Expense. If the Asbestos PI Trust declines to pay for a professional, it must set forth its reasons in writing. If the Legal Representative still desires to employ the Legal Representative Professional at Asbestos PI Trust Expense, the Legal Representative and Trustees shall resolve their dispute pursuant to article 7.13 below. Such reimbursement or direct payment shall be deemed an Asbestos PI Trust Expense. The Asbestos PI Trust shall include a description of the amounts paid under this section in the reports to be filed with the Bankruptcy Court and provided to the Asbestos TAC, the Legal Representative, the Reorganized Debtors, and Halliburton pursuant to article 2.2(c)(i) above.

6.6 Procedure for Consulting with the Legal Representative.

(a) *Consultation Process.*

(i) In the event the Trustees are required to consult with the Legal Representative pursuant to the terms hereof (or of the Asbestos TDP), the Trustees shall promptly provide the Legal Representative and his or her counsel with notice and all information regarding the matter in question. The Trustees also shall provide the Legal Representative with such reasonable access to professionals and other experts retained by the Asbestos PI Trust and its agents as the Legal Representative may reasonably request during that time, and also shall provide the Legal Representative the opportunity, at reasonable times and for reasonable periods of times, to discuss and comment on such matter with the Trustees.

(ii) The Trustees shall take into consideration the time required for the Legal Representative to engage and consult, if he or she wishes, with his or her own independent financial or investment advisors as to such matters.

(b) *Consent Process.*

(i) In the event the consent of the Legal Representative is required pursuant to article 2.2(e) above or on any other matters specified herein, the Trustees shall provide the Legal Representative with written advance notice of the matter under consideration and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustees also shall provide the Legal Representative with such reasonable access to Professionals and other experts retained by the Asbestos PI Trust and its staff (if any) as the Legal Representative may reasonably request during the time that the Trustees are considering such matter, and shall also provide the Legal Representative the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustees.

(ii) The Legal Representative shall consider in good faith and in a timely fashion any request by the Trustees and may not withhold his or her consent unreasonably. If the Legal Representative does not notify the Trustees of his or her objection to such request within thirty (30) days after receiving notice and information regarding such request, then the Legal Representative's consent shall be deemed to have been affirmatively granted.

(iii) If, after following the procedures set forth in this article 6.6(b), the Legal Representative continues to object to the proposed action and to withhold its consent to the proposed action, the Trustees and the Legal Representative shall resolve their dispute pursuant to article 7.13 below. However, the burden of proof with respect to the validity of the Legal Representative's objection and withholding of his or her consent shall be on the Legal Representative.

6.7 Initial Legal Representative.

The initial Legal Representative shall be Eric D. Green.

ARTICLE 7

GENERAL PROVISIONS7.1 Irrevocability.

The Asbestos PI Trust is irrevocable.

7.2 Termination.

(a) The Asbestos PI Trust shall automatically terminate on the date ninety (90) days after the first to occur of the following events (the "Termination Date"):

(i) the Trustees, in their discretion, decide to terminate the Asbestos PI Trust because (A) they deem it unlikely that new Asbestos Unsecured PI Trust Claims will be filed against the Asbestos PI Trust and (B) all Asbestos Unsecured PI Trust Claims duly filed with the Asbestos PI Trust have been liquidated and paid to the extent provided in this Asbestos PI Trust Agreement and the Asbestos TDP, or disallowed by a final, nonappealable order, to the extent possible based upon the funds available through the Plan, and twelve (12) consecutive months have elapsed during which no new Asbestos Unsecured PI Trust Claims have been filed with the Asbestos PI Trust;

(ii) if the Trustees have in place access to sufficient assets and have established claims-handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Asbestos PI Trust in a manner consistent with this Asbestos PI Trust Agreement and the Asbestos TDP, the date on which the Bankruptcy Court enters a Final Order approving the sufficiency of such assets and other arrangements; or

(iii) to the extent that any rule against perpetuities shall be deemed applicable to the Asbestos PI Trust, twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr. of Massachusetts living on the date hereof.

(b) On the Termination Date, after payment of all the Asbestos PI Trust's liabilities have been provided for, all monies remaining in the Asbestos PI Trust corpus shall be given to such organization(s) exempt from federal income tax under section 501(c)(3) of the IRC, which tax-exempt organization(s) shall be selected by the Trustees using their reasonable discretion; *provided, however*, that (i) if practicable, the tax-exempt organization(s) shall be related to the treatment of, research on, or relief of suffering of individuals affected by asbestos-related lung disorders, and (ii) the tax-exempt organization(s) shall not bear any relationship to the Reorganized Debtors within the meaning of section 468B(d)(3) of the IRC. Notwithstanding any other provision of the Plan Documents, this article 7.2(b) cannot be modified or amended.

(c) On the termination date of the Asbestos PI Trust, the Asbestos PI Trust, the Trustees of the Asbestos PI Trust, the Legal Representative, and the members of the Asbestos TAC, and the predecessors, employees, attorneys, accountants and other professionals thereof, (i) shall be released and discharged of and from all further authority, duties, responsibilities, liabilities, and obligations related to, or arising from, the Plan Documents (including, without limitation, the Plan and the Asbestos PI Trust Agreement) and the Confirmation Order and (ii) shall not be liable for any claim that may exist under any applicable law, other than a claim, if any, for fraud, gross negligence, or willful misconduct, to any Claimant, holder of an Interest, or other entity with respect to any action, decision, omission, exercise of discretion, or forbearance from action, decision, or exercise of discretion, taken at any time on or prior to the termination of the Asbestos PI Trust in connection with: (a) the discharge of their duties relative to the Asbestos PI Trust, (b) the implementation of any of the transactions provided for, or contemplated in, the

Plan Documents (including, without limitation, the Plan and the Asbestos PI Trust Agreement) and the Confirmation Order, (c) any action taken in connection with defense of any Asbestos PI Trust Claim asserted against the Asbestos PI Trust, the Debtors or the Reorganized Debtors, (d) any action taken in the implementation of the Plan Documents (including, without limitation, the Plan and the Asbestos PI Trust Agreement) and the Confirmation Order, or (e) the administration of the Asbestos PI Trust, or the assets and property to be distributed pursuant to the Plan.

7.3 Amendments.

The Trustees, with consent of the Asbestos TAC and the Legal Representative pursuant to article 2.2, may modify or amend this Asbestos PI Trust Agreement or any document annexed to it, including, without limitation, the Asbestos PI Trust Bylaws or the Asbestos TDP; *provided, however*, that no modification or amendment may be made to article 1.4(g) or 2.2(a) of this Asbestos PI Trust Agreement. Notwithstanding anything contained in this Asbestos PI Trust Agreement to the contrary, this Asbestos PI Trust Agreement, the Asbestos PI Trust Bylaws, the Asbestos TDP, and any document annexed to any of the foregoing shall not be modified or amended in any way that could jeopardize, impair, or modify the applicability of section 524(g) of the Bankruptcy Code, the efficacy or enforceability of the Injunctions, the Asbestos PI Trust's qualified settlement fund status, or the rights of the Debtor-Affiliated Protected Parties under the Plan Documents. Any modification or amendment made pursuant to this article must be done in writing.

7.4 [Reserved]

7.5 Severability.

Should any provision in this Asbestos PI Trust Agreement be determined to be unenforceable by a court of competent jurisdiction, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Asbestos PI Trust Agreement.

7.6 Notices.

Notices to persons asserting claims shall be given at the address of such person or, where applicable, such person's legal representative, in each case as provided on such person's claim form submitted to the Asbestos PI Trust with respect to his, her, or its Asbestos Unsecured PI Trust Claim.

Any notices or other communications required or permitted hereunder shall be in writing and delivered at the addresses designated below, or sent by e-mail or facsimile pursuant to the instructions listed below, or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished by any of the Notice Recipients, the Trustees, the Legal Representative, or the Reorganized Debtors, to the other Notice Recipients in compliance with the terms hereof.

To the Asbestos PI Trust through the
Trustees:

Alan R. Kahn, Managing Trustee
P.O. Box 1107 (59771)
230 Jack Leg Lane
Bozeman, Montana 59715
Telephone: (406) 585-8588
Facsimile: (406) 585-8585
Email: arkahn@attglobal.net

With a copy to:

Michael A. Rosenthal
Gibson Dunn & Crutcher LLP
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201
Telephone: (214) 698-3177
Facsimile: (214) 571-2951
Email: mrosenthal@gibsondunn.com

To the Legal Representative:

Eric D. Green
Resolutions, LLC
222 Berkeley Street, Suite 1060
Boston, Massachusetts 02116
Telephone: (617) 556-0800
Facsimile: (617) 556-9900
Email: ericdgreen@resolutionsllc.com

With a copy to:

James L. Patton, Jr.
Young Conaway Stargatt & Taylor, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6684
Facsimile: (302) 571-1253
Email: jpatton@ycst.com

To the Asbestos TAC:

Steven T. Baron
Silber Pearlman, LLP
2711 North Haskell Avenue
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Telephone: (214) 874-7057
Facsimile: (214) 824-8100
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Cooney & Conway
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Theodore Goldberg
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Steven Kazan
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Fernandez, Lyons & Farris
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Oakland, California 94607
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Michael V. Kelley
Kelley & Ferraro, LLC
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Glen W. Morgan
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Email: gmorgan@rmqlawfirm.com

Perry Weitz
Weitz & Luxenberg
180 Maiden Lane
New York, New York 10038
Telephone: (212) 558-5500
Facsimile: (212) 344-5461
Email: pweitz@weitzlux.com

To the Reorganized Debtors or Halliburton:

Albert O. Cornelison, Jr.
c/o Halliburton Company
1401 McKinney Street
Houston, Texas 77010
Telephone: (713) 759-2620
Facsimile: (713) 759-2622
Email: bert.cornelison@halliburton.com

With a copy to:
Jeffrey N. Rich
Kirkpatrick & Lockhart Nicholson Graham LLP
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New York, New York 10022
Telephone: (212) 536-4097
Facsimile: (212) 536-3901
Email: jrich@klngr.com

and

Michael G. Zanic
Kirkpatrick & Lockhart Nicholson Graham LLP
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and

Jack L. Kinzie
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2001 Ross Avenue
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Telephone: (214) 953-6727
Facsimile: (214) 661-4727
Email: jack.kinzie@bakerbotts.com

All such notices and communications if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return electronic transmission.

7.7 Successors and Assigns.

The provisions of this Asbestos PI Trust Agreement shall be binding upon, and inure to the benefit of, the Settlor, the Asbestos PI Trust, and the Trustees, and their respective successors and assigns, except that neither the Settlor, nor the Asbestos PI Trust, nor any Trustee may assign or otherwise transfer any of its, or his or her, rights or obligations under this Asbestos PI Trust Agreement except, in the case of the Asbestos PI Trust and the Trustees, as contemplated by article 2.1.

7.8 Limitation on Claim Interests for Securities Laws Purposes.

Asbestos Unsecured PI Trust Claims and any interests therein (a) shall not be assigned, conveyed, hypothecated, pledged, or otherwise transferred, voluntarily or involuntarily, directly or indirectly, except by will or under the laws of descent and distribution, (b) shall not be evidenced by a certificate or other instrument, (c) shall not possess any voting rights, and (d) shall not be entitled to receive any dividends or interest; *provided, however*, that the foregoing shall not apply to the holder of an Indirect Asbestos PI Trust Claim that is subrogated to an Asbestos Unsecured PI Trust Claim as a result of its satisfaction of such Asbestos Unsecured PI Trust Claim.

7.9 Entire Agreement; No Waiver.

The entire agreement of the parties relating to the subject matter of this Asbestos PI Trust Agreement is contained herein and in the documents referred to herein, and this Asbestos PI Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any further exercise thereof or of any other right, power, or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity.

7.10 Headings.

The headings used in this Asbestos PI Trust Agreement are inserted for convenience only and neither constitute a portion of this Asbestos PI Trust Agreement nor in any manner affect the construction of the provisions of this Asbestos PI Trust Agreement.

7.11 Governing Law.

This Asbestos PI Trust Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

7.12 Settlors and Settlor Cooperation.

The Reorganized Debtors are hereby irrevocably designated as Settlers, and are hereby authorized to take any action required of the Settlers in connection with the Asbestos PI Trust. The Reorganized Debtors agree to cooperate in implementing the goals of this Asbestos PI Trust.

7.13 Dispute Resolution.

Any disputes that arise under this Agreement or under the annexes hereto shall be resolved by submission of the matter to an alternative dispute resolution ("ADR") process mutually agreeable to the parties involved. Should any party to the ADR process be dissatisfied with the decision of the arbitrator(s), that party may apply to the Bankruptcy Court for a judicial determination of the matter; *provided, however*, that nothing herein shall preclude any party from requesting that the Bankruptcy Court waive the ADR requirement in a specific instance or from filing with the Bankruptcy Court, prior to the conclusion of the ADR process in a given instance, a request for relief with respect to the matter subject to the ADR process. If the dispute arises with respect to the consent of any party, the burden of proof shall be on the party or parties who withheld consent to show that the objection was valid. Notwithstanding anything else herein contained, to the extent any provision of this Asbestos PI Trust Agreement is inconsistent with any provision of the Plan, the Plan shall control.

7.14 Enforcement and Administration.

The provisions of this Asbestos PI Trust Agreement and the annexes hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees.

7.15 Effectiveness.

This Asbestos PI Trust Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

7.16 Counterpart Signatures.

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

IN WITNESS WHEREOF, the parties have executed this Asbestos PI Trust Agreement this 20th day of January 2005.

SETTLORS:

MID-VALLEY, INC.,
a Pennsylvania corporation

James H. Lehmann
Its Authorized Signatory

DII INDUSTRIES, LLC,
a Delaware limited liability company

James H. Lehmann
Its Authorized Signatory

KELLOGG BROWN & ROOT, INC.,
a Delaware corporation

James H. Lehmann
Its Authorized Signatory

KBR TECHNICAL SERVICES, INC.,
a Delaware corporation

James H. Lehmann
Its Authorized Signatory

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

James H. Lehmann
Its Authorized Signatory

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

James H. Lehmann
Its Authorized Signatory

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

James H. Lehmann
Its Authorized Signatory

BPM MINERALS, LLC,
a New Jersey limited liability company

James H. Lehmann
Its Authorized Signatory

TRUSTEES

Alan R. Kahn
(5-year term)

Robert M. Parker
(4-year term)

Mark M. Gleason
(3-year term)

ASBESTOS TAC

Steven Kazan
(5-year term)

Perry Weitz
(5-year term)

Theodore Goldberg
(5-year term)

Glen W. Morgan
(4-year term)

Michael V. Kelley
(4-year term)

Steven T. Baron
(3-year term)

John D. Cooney
(3-year term)

LEGAL REPRESENTATIVE

Eric D. Green

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