IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	
	:	**Case No. 25 - 11403 (TMH)**
VALVES AND CONTROLS US, INC.,	:	
	:	
Debtor.[1]	:	**Re: Docket Nos. 326 and 390**

NOTICE OF FILING REDLINE VERSION OF DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN OF LIQUIDATION OF VALVES AND CONTROLS US, INC. AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS

PLEASE TAKE NOTICE that, on March 6, 2026, Valves and Controls US, Inc., the debtor and debtor in possession in the above-captioned case (the "**Debtor**") filed the *Disclosure Statement for Joint Chapter 11 Plan of Liquidation of Valves and Controls US, Inc. and Official Committee of Unsecured Creditors* [Docket No. 326] (the "**Disclosure Statement**") with the United States Bankruptcy Court for the District of Delaware (the "**Court**").

PLEASE TAKE FURTHER NOTICE that, on the date hereof, the Debtor filed an amended version of the Disclosure Statement [Docket No. 390] (the "**Amended Disclosure Statement**").

PLEASE TAKE FURTHER NOTICE that a redline comparing the Amended Disclosure Statement against the Disclosure Statement is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that the Debtor reserves the right to alter, amend, modify, or supplement the Amended Disclosure Statement.

[*Remainder of Page Intentionally Left Blank*]

[1] The last four digits of the Debtor's federal tax identification number are 3959. The Debtor's mailing address is 777 Main Street, Suite 2050, Fort Worth, TX 76102.

Dated: April 14, 2026
Wilmington, Delaware

/s/ Michael E. Fitzpatrick
COLE SCHOTZ P.C.
Patrick J. Reilley (No. 4451)
Michael E. Fitzpatrick (No. 6797)
Melissa M. Hartlipp (No. 7063)
500 Delaware Avenue, Suite 600
Wilmington, Delaware 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117
E-mail: preilley@coleschotz.com
mfitzpatrick@coleschotz.com
mhartlipp@coleschotz.com

-and-

WEIL, GOTSHAL & MANGES LLP
Matthew S. Barr (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Lauren Tauro (admitted *pro hac vice*)
Alejandro Bascoy (admitted *pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
E-mail: matt.barr@weil.com
ronit.berkovich@weil.com
lauren.tauro@weil.com
alejandro.bascoy@weil.com

Attorneys for Debtor
and Debtor in Possession

Exhibit A

Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	**Chapter 11**
	:	
VALVES AND CONTROLS US, INC.,	:	**Case No. 25 – 11403 (TMH)**
	:	
Debtor.[1]	:	

DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN OF LIQUIDATION OF VALVES AND CONTROLS US, INC. AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS

WEIL, GOTSHAL & MANGES LLP
Matthew S. Barr (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Lauren Tauro (admitted *pro hac vice*)
Alejandro Bascoy (admitted *pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtor and Debtor in Possession

COLE SCHOTZ P. C.
Patrick J. Reilley (No. 4451)
Michael E. Fitzpatrick (No. 6797)
Melissa M. Hartlipp (No. 7063)
500 Delaware Avenue
Suite 600
Wilmington, Delaware 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117

Attorneys for Debtor and Debtor in Possession

THIS IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTOR RESERVES THE RIGHT TO AMEND, SUPPLEMENT, OR OTHERWISE MODIFY THIS DISCLOSURE STATEMENT PRIOR AND UP TO THE ~~DISCLOSURE STATEMENT HEARING~~COMMENCEMENT OF SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN.

[1] The last four digits of the Debtor's federal tax identification number are 3959. The Debtor's mailing address is 777 Main Street, Suite 2050, Fort Worth, TX 76102.

TABLE OF CONTENTS

EXHIBITS

EXHIBIT A	*Joint Chapter 11 Plan of Liquidation of Valves and Controls US, Inc. and Official Committee of Unsecured Creditors*
EXHIBIT B	Release, Injunction, and Exculpation Provisions
EXHIBIT C	Summary of Trust Distribution Procedures: Scheduled Values and Maximum Values
EXHIBIT D	Liquidation Analysis

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT (THE "**DISCLOSURE STATEMENT**") IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF JOINT CHAPTER 11 PLAN OF LIQUIDATION OF VALVES AND CONTROLS US, INC. AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS, DATED AS OF MARCH 6, 2026 (INCLUDING ALL EXHIBITS AND SCHEDULES THERETO AND AS MAY BE FURTHER AMENDED, MODIFIED, OR SUPPLEMENTED FROM TIME TO TIME, THE "**PLAN**") AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN.[1] A COPY OF THE PLAN IS ATTACHED HERETO AS EXHIBIT A. NO SOLICITATION OF VOTES TO ACCEPT THE PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE.

ALL HOLDERS OF CLAIMS ARE ADVISED AND ENCOURAGED TO READ THE DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. ALL HOLDERS OF CLAIMS SHOULD CAREFULLY READ AND CONSIDER THE RISK FACTORS SET FORTH IN SECTION VII (CERTAIN RISK FACTORS TO BE CONSIDERED) OF THIS DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE PLAN SUMMARY AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN ITSELF, THE EXHIBITS ATTACHED TO THE PLAN, AND THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN ANY DESCRIPTION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (THE "**BANKRUPTCY RULES**") AND NOT NECESSARILY IN ACCORDANCE WITH NON-BANKRUPTCY LAW.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING WITH RESPECT TO PROJECTED CREDITOR RECOVERIES AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS AND ARE SUBJECT TO A NUMBER OF RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTOR, INCLUDING THE IMPLEMENTATION OF THE PLAN. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

[1] Unless otherwise expressly set forth herein, capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to such terms in the Plan. The exhibits to this Disclosure Statement are incorporated as if fully set forth herein and are part of this Disclosure Statement.

THIS DISCLOSURE STATEMENT WAS PREPARED BY THE DEBTOR, AND THE INFORMATION CONTAINED HEREIN IS SUBJECT TO ONGOING DILIGENCE BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS APPOINTED IN THIS CHAPTER 11 CASE. NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT IS AN ADMISSION OR DENIAL OF LIABILITY.

FURTHERMORE, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, INCLUDING ANY PROJECTIONS, ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. IMPORTANT ASSUMPTIONS AND OTHER IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY INCLUDE THOSE FACTORS, RISKS, AND UNCERTAINTIES DESCRIBED IN MORE DETAIL UNDER THE HEADING "CERTAIN RISK FACTORS TO BE CONSIDERED." DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, IF ANY, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS PROVIDING ANY ADVICE ON THE BUSINESS, FINANCIAL, TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR AND DEBTOR IN POSSESSION IN THIS CHAPTER 11 CASE.

NEITHER THIS DISCLOSURE STATEMENT NOR THE MOTION SEEKING APPROVAL THEREOF CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.

THE PLAN AND THE CONFIRMATION ORDER CONSTITUTE A GOOD FAITH COMPROMISE AND SETTLEMENT OF CLAIMS AND CONTROVERSIES BASED UPON THE UNIQUE CIRCUMSTANCES OF THIS CHAPTER 11 CASE, AND NONE OF THE FOREGOING DOCUMENTS, NOR ANY MATERIALS USED IN FURTHERANCE OF SUCH DOCUMENTS (INCLUDING THE DISCLOSURE STATEMENT, NOTES, AND DRAFTS), MAY BE OFFERED INTO EVIDENCE, DEEMED AN ADMISSION, USED AS PRECEDENT, OR USED IN ANY CONTEXT WHATSOEVER BEYOND THE PURPOSES OF THE PLAN, IN ANY OTHER LITIGATION OR PROCEEDING EXCEPT AS NECESSARY TO ENFORCE THEIR TERMS BEFORE THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION. THE PLAN AND THE CONFIRMATION ORDER WILL BE BINDING AS TO THE MATTERS AND ISSUES DESCRIBED THEREIN, BUT WILL NOT BE BINDING WITH RESPECT TO SIMILAR MATTERS OR ISSUES THAT MIGHT ARISE IN ANY OTHER LITIGATION OR PROCEEDING IN WHICH THE DEBTOR IS NOT A PARTY. ANY PERSON'S SUPPORT OF, OR POSITION OR ACTION TAKEN IN CONNECTION WITH, THE PLAN AND THE

PLAN DOCUMENTS MAY DIFFER FROM ITS POSITION OR TESTIMONY IN ANY OTHER LITIGATION OR PROCEEDING IN WHICH THE DEBTOR IS NOT A PARTY.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF.

JOINT RECOMMENDATION OF DEBTOR AND UNSECURED CREDITORS' COMMITTEE

The Debtor and the Official Committee of Unsecured Creditors appointed in the Debtor's chapter 11 case (the "**UCC**") support confirmation of the Plan and urge all holders of claims entitled to vote on the Plan to accept the Plan. The Debtor and the UCC believe that the Plan provides the highest and best recovery for all creditors and is in the best interest of the creditors.

I.
INTRODUCTION AND EXECUTIVE SUMMARY

This is the Disclosure Statement of Valves and Controls US, Inc., a Delaware corporation ("**Valves**," the "**Debtor**," or the "**Company**"), in the above-captioned chapter 11 case (the "**Chapter 11 Case**") pending in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"), filed pursuant to chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") and in connection with the *Joint Chapter 11 Plan of Liquidation of Valves and Controls US, Inc. and Official Committee of Unsecured Creditors* (as may be amended, supplemented, or otherwise modified from time to time and including all exhibits thereto, the "**Plan**"), a copy of which is annexed to this Disclosure Statement as **Exhibit A**.

A. Background and Debtor's Approach to Chapter 11 Case

At its inception, Valves was a leading manufacturer and supplier of high-technology valves to the power industry. In 1990, Weir Group PLC ("**Weir**") acquired Valves to be part of its "Flow Control Division". Nearly thirty years later, Weir sold the Valves line of products to FR Flow Control HoldCo Limited ("**FR HoldCo Limited**" and, together with its affiliates party to the purchase agreement, "**First Reserve**") for $300 million. A portion of the Valves purchase price was allocated to the Company for its alleged asbestos-related liabilities (the "**Valves Sale Proceeds**").

Valves' alleged use of asbestos-containing products has led to the assertion of various personal injury claims against Valves (collectively, the "**Asbestos Claims**" and the holders of such claims, collectively, the "**Asbestos Claimants**"). The number of Asbestos Claims filed against Valves has increased dramatically in recent years, from 373 claims filed in 2011 to 740 claims filed in 2023, 892 claims filed in 2024, and 458 claims between January 1 and July 24, 2025. Although Valves disputes all liability related to Asbestos Claims, its ever-growing litigation costs are not sustainable, and its remaining assets will likely be depleted years before all existing and future Asbestos Claims are resolved. Valves utilized insurance proceeds to cover any asbestos exposure to date, but, based on Valves' information and belief, such insurance has been depleted.

Given its limited assets, mounting litigation costs, and rapidly eroding insurance, Valves considered potential strategic alternatives to prevent its assets from being fully diminished. Starting in October 2024, Valves engaged with an ad hoc group of plaintiffs' firms (collectively, the "**ACC**") to commence settlement discussions. To help facilitate settlement discussions, the ACC retained (i) Robinson & Cole LLP ("**RC**") as legal counsel in November 2024, (ii) FTI Consulting, Inc. ("**FTI**") as financial advisor in February 2025, and (iii) Cohen Ziffer Frenchman & McKenna, as insurance counsel, in March 2025. Prior to the commencement of this Chapter 11 Case, Valves, the ACC, and Weir engaged in negotiations regarding a settlement with Valves and Weir to be implemented through the terms of a plan.

On April 15, 2025, Valves received a notice from Travelers that Valves' remaining coverage was fully eroded and that Travelers would no longer cover defense costs for Asbestos Claims (other than with respect to the Missing Policies (defined below)). Prior to the Petition Date, Valves and

Travelers unsuccessfully engaged in negotiations regarding a potential settlement related to the Missing Policies (discussed further below). Valves commenced this Chapter 11 Case intending to continue such settlement negotiations.

To protect its assets from further erosion by litigation costs, Valves commenced this Chapter 11 Case on July 25, 2025 (the "**Petition Date**").

The Plan is the result of extensive, good faith, and arm's-length negotiations between the Debtor and the UCC.[1]

The key components of the Plan – the claims against the Debtor, the assets available to satisfy those claims, and the mechanisms for distributing assets to creditors – are described below.

B. Claims Against Debtor's Estate and Plan Classification

i. Debtor's Anticipated Assets as of Effective Date

The Debtor anticipates having a limited number of assets on hand as of the Effective Date. The Debtor's assets include cash in a current estimated amount of $43m and potential settlement proceeds from the Agreement (as defined herein). The Debtor anticipates that such assets will be insufficient to satisfy in full Asbestos Claims against the Debtor's estate.

ii. Unsecured Claims Against Debtor's Estate and Plan Classification

As described in further detail in Section III.D below, the Debtor faces over 2,000 Asbestos Claims by individuals arising from the Debtor's former use of alleged asbestos-containing products. These claims against the Debtor fall into two categories and have been classified under the Plan as Class 4 Direct Asbestos Claims and Class 5 Indirect Asbestos Claims, which include (a) any Claims that have been resolved or are subject to resolution pursuant to any agreement and Claims that are based on a judgment or verdict, including an Asbestos Settlement, and (b) Claims of any corporation (as defined in section 101(9) of the Bankruptcy Code), insurer, co-defendant of the Debtor, or predecessor of the Debtor for contribution, reimbursement, subrogation, indemnity, or any other derivative Claims, whether contractual or implied by law (as those terms are defined by applicable non-bankruptcy law of the relevant jurisdiction).

The Debtor submits that the Plan classification scheme described above appropriately classifies creditors with similar claims and assists in the efficient administration of the Plan and the resolution of Claims within the aforementioned classes.

[1] As discussed below, on August 14, the UST (defined below) appointed the UCC.

iii. Summary of Plan Treatment

Class and Designation	Treatment under the Plan	Impairment and Entitlement to Vote	Approx. Percentage Recovery
Class 1: Other Priority Claims	The legal, equitable, and contractual rights of holders of Other Priority Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to less favorable treatment, on, or as soon as reasonably practicable thereafter, the later of the Effective Date and the date that is ten Business Days after the date such Other Priority Claim becomes an Allowed Claim, each holder of an Allowed Other Priority Claim shall receive, in full and final satisfaction, settlement, and release of such Claim, at the option of the Debtor or the Wind-Down Officer (as applicable), either (a) payment in full in Cash from the Wind-Down Reserve or (b) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.	Unimpaired (**Not entitled to vote** – presumed to accept)	100%
Class 2: Other Secured Claims	The legal, equitable, and contractual rights of holders of Other Secured Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, on, or as soon as reasonably practicable thereafter, the later of the Effective Date and the date that is 30 Business Days after the date such Other Secured Claim becomes an Allowed Claim, each holder of an Allowed Other Secured Claim shall receive, in full and final satisfaction, settlement, and release of such Claim, at the option of the Debtor or the Wind-Down Officer (as applicable), either (a) payment in full in Cash from the Wind-Down Reserve or (b) such other treatment so as to render such holder's Allowed Other Secured Claim Unimpaired.	Unimpaired (**Not entitled to vote** – presumed to accept)	100%
Class 3: Non-Asbestos General Unsecured Claims	Each holder of an Allowed Non-Asbestos GUC Claim shall be entitled to receive, in full and final satisfaction, settlement, and release of such Claim, its Pro Rata share of the Non-Asbestos GUC Claim Fund with all other Allowed Non-Asbestos GUC Claims. The terms, provisions and procedures set forth Article VI and Article VII of the Plan shall establish the method by which Non-Asbestos GUC Claims against the Debtor will be submitted, processed, liquidated and, if applicable, paid.	Impaired (**Entitled to vote**)	0-100%
Class 4: Direct Asbestos Claims	As of the Effective Date, all Direct Asbestos Claims shall automatically and, without further act, deed, or court order, be incurred in full and assumed by the Trust. Subject to the Trust Documents, each holder of an Allowed Direct Asbestos Claim shall be entitled to receive its Pro Rata share of the Distributable Value of the Trust with all other Allowed Direct Asbestos Claims. Holders of Allowed Direct Asbestos Claims against the Debtor	Impaired (**Entitled to vote**)	N/A

	shall not receive any payment from the Trust unless and until such Claims are resolved in accordance with the Trust Documents, including the Trust Distribution Procedures applicable to Direct Asbestos Claims. The terms, provisions and procedures set forth in the Trust Distribution Procedures applicable to Direct Asbestos Claims shall establish the method by which Direct Asbestos Claims against the Debtor will be submitted, processed, liquidated and, if applicable, paid.		
Class 5: Indirect Asbestos Claims	As of the Effective Date, all Indirect Asbestos Claims shall automatically and, without further act, deed, or court order, be incurred in full and assumed by the Trust. Subject to the Trust Documents, each holder of an Allowed Indirect Asbestos Claim shall be entitled to receive its Pro Rata share of the Distributable Value of the Trust with all other Allowed Indirect Asbestos Claims. Holders of Allowed Indirect Asbestos Claims against the Debtor shall not receive any payment from the Trust unless and until such Claims are resolved in accordance with the Trust Documents, including the Trust Distribution Procedures applicable to Indirect Asbestos Claims. The terms, provisions and procedures set forth in the Trust Distribution Procedures applicable to Indirect Asbestos Claims shall establish the method by which Indirect Asbestos Claims against the Debtor will be submitted, processed, liquidated and, if applicable, paid.	Impaired (**Entitled to vote**)	N/A
Class 6: Existing Interest	On the Effective Date, the Existing Interests shall be cancelled, and the holders thereof shall not receive or retain any property on account of such interests under the Plan.	Impaired (**Not entitled to vote** – deemed to reject)	N/A

II.
<u>OVERVIEW OF DEBTOR</u>

A. <u>Debtor's Business</u>

In 1900, Atwood & Morrill Co., Inc. ("**A&M**"), began its business manufacturing a single valve product in Salem, Massachusetts. Thereafter, A&M went on to develop engineering and manufacturing capabilities, producing a growing line of products for the steam lines of New England's mills, including steam traps, regulators, back pressure valves, and check valves. In 1929, A&M introduced a valve for turbine extraction applications, the modern version of which continues to be the power industry standard for turbine protection. Weir acquired A&M in 1990 and subsequently rebranded A&M as Valves, a leading manufacturer and supplier of high technology valves to the power industry. Weir was not aware of Valves having any alleged asbestos liabilities when it acquired Valves in 1990. Moreover, Valves ceased the use of any asbestos products in 1985 and thus, did not place any asbestos-containing products into the stream of commerce following Weir's purchase. Weir did not become aware of the potential asbestos liabilities until claimants began asserting the appearance of asbestos-related conditions and filing the Asbestos Claims against Valves in 2000.

In the Weir family tree of entities, Valves was part of the "Flow Control Business." As discussed in more detail herein, Weir sold the entire Flow Control Business, including Valves' operating assets, to First Reserve in 2019. Following the sale, Valves' operations were reduced to managing Valves' legacy asbestos liabilities.

B. Organizational Structure

Valves, a Delaware corporation, is a wholly owned subsidiary of TWG Investments (No. 8) Limited, an indirect subsidiary of Weir.

C. Governance

The Valves board of directors (the "**Board**") consists of three members as detailed below:

Name	Position
Asa Altmark	Director
Gareth Young	Director
Paul Aronzon	Independent Director

III. KEY EVENTS LEADING TO COMMENCEMENT OF CHAPTER 11 CASE

In light of ongoing and increasing asbestos liability, and the limited availability of insurance coverage for the defense and/or resolution of the Asbestos Claims at the time, Valves commenced this Chapter 11 Case to (i) resolve all current and future Asbestos Claims by creating and funding the Trust to provide distributions to Asbestos Claimants and (ii) implement the orderly wind down of Valves.

A. First Reserve Sale

According to Weir, to focus on its more profitable industries, namely mining and construction, it decided to divest the Flow Control Business. To that end, Weir conducted a marketing process through which First Reserve emerged as a potential purchaser. On February 25, 2019, Weir, FR HoldCo Limited, Weir Group Holdings Limited, and FR Flow Control France BidCo SAS entered into that certain Sale and Purchase Agreement for the Flow Control Business of Weir (the "**SPA**"). At the time of the First Reserve Sale (as defined below), Weir concluded that no potential buyer would be willing to acquire the alleged asbestos liabilities as part of an acquisition of Valves or the Flow Control Business. Weir also concluded that Valves' assets were a necessary component of the Flow Control Business, which would be far less marketable to potential buyers if Valves' assets were not included in a potential transaction.

Pursuant to the SPA, First Reserve purchased certain assets, including Valves' line of products, for an aggregate purchase price of $300 million (the "**Purchase Price**" and the sale transaction, the "**First Reserve Sale**"). First Reserve, however, was not willing to acquire Valves' alleged asbestos liability.

As part of the First Reserve Sale, Weir and First Reserve agreed that Valves' alleged asbestos liability and associated insurance policies would remain with Valves as First Reserve was unwilling to assume or take transfer of such liabilities. Under the SPA, $45 million of the Purchase Price (the "**Valves Sale Proceeds**") was allocated to the Valves' assets, together with certain insurance policies, to address any potential legacy liabilities associated with Asbestos Claims. In addition, pursuant to the SPA, Weir agreed to indemnify First Reserve up to a cap of £15,000,000 for any asbestos liability of First Reserve related to Valves.

Contemporaneously with the First Reserve Sale, Valves loaned the Valves Sale Proceeds to WHW Group, Inc. ("**WHW**"), a subsidiary of Weir (the "**Proceeds Loan**"), in a principal amount of $45 million. Following the First Reserve Sale, Valves did not continue any business operations, and its sole focus became resolving the Asbestos Claims. Valves remains non-operational.

B. ESCO Indemnification

In connection with the First Reserve Sale, First Reserve negotiated for an indemnification from both Valves and a Weir affiliate in an effort to limit its potential exposure to the Asbestos Claims. Specifically, on February 25, 2019, Valves, FR Flow Control Valves US Bidco, Inc., and ESCO Group LLC ("**ESCO**"), a subsidiary of Weir, entered into that certain US Asbestos Protections Agreement (the "**APA**") according to which Valves and ESCO jointly and severally agreed to indemnify First Reserve against any asbestos liability relating to Valves' assets up to a cap of $75 million (the "**Indemnification**"), subject to and in accordance with the terms of the APA. ESCO's indemnification obligations under the APA, however, would only apply following the erosion of Valves' insurance coverage and the utilization of the Valves Sale Proceeds. In addition, under the APA, Valves agreed to use the Valves Sale Proceeds and Valves' insurance policies in connection with (i) the administration, payment, and satisfaction of Asbestos Claims, (ii) the payment of administrative fees and taxes incurred by Valves to maintain its good standing, and (iii) the payment of any costs incurred by First Reserve that First Reserve would otherwise be entitled to receive pursuant to the Indemnification.

C. Intercompany Cash Management Agreements

Since the First Reserve Sale, Valves and WHW have entered into cash management agreements with respect to the Proceeds Loan on an annual basis (the "**Cash Management Agreements**"). Pursuant to the Cash Management Agreements, WHW provided funds to Valves in repayment of the Proceeds Loan when required to satisfy Asbestos Claims and other costs of Valves. The Valves Sale Proceeds have earned interest for the benefit of Valves pursuant to the Cash Management Agreements. Prior to the Petition Date, Valves requested that WHW repay the full amount of the Proceeds Loan, together with any interest accrued thereon. On July 8, 2025, WHW repaid to Valves accrued principal and interest on the Proceeds Loan, which principal amount had increased over time to account for WHW's use of certain of Valves' tax attributes. As a result, Valves holds approximately $43m in its bank account as of February 27, 2026, which will be used to fund the remaining administrative costs of this chapter 11 case and to fund the Trust to resolve and make distributions on account of Asbestos Claims.

D. Asbestos Settlements

Although Valves never manufactured an asbestos product, it allegedly incorporated asbestos-containing parts and materials procured from other manufacturers into its products, which has led to the assertion of Asbestos Claims against Valves. The cost of litigating the Asbestos Claims has increased dramatically. In 2011, settlements totaled $963,000 and defense costs totaled approximately $1.95 million, whereas in 2024, settlements totaled approximately $8.3 million and defense costs totaled approximately $4.5 million. The majority of payments to defend and resolve Asbestos Claims have historically been satisfied through Valves' available insurance coverage. Such coverage has gradually eroded, with approximately $12 million of insurance coverage remaining as of January 1, 2024, and approximately $2 million as of January 31, 2025. On April 15, 2025, Travelers Insurance Company (together with its affiliates, "**Travelers**") notified Valves that its remaining coverage would be fully eroded by May 1, 2025, and that Travelers would continue paying defense costs for Asbestos Claims only through May 31, 2025 (other than with respect to the Missing Policies (as defined below)). Valves' insurance coverage through Travelers was completely exhausted as of May 1, 2025. Further, Valves' insurance only covered Asbestos Claims alleging dates of first exposure to asbestos-containing products prior to May 1981. This gap in coverage equated to approximately two to five uninsured cases per year, the costs of which Valves paid out of the Valves Sale Proceeds.

Due to the erosion of its available insurance, and without the protections of the automatic stay available in chapter 11, Valves would be required to pay all defense-related costs out-of-pocket, which would result in significant costs to Valves, as new Asbestos Claims continue to be filed, and less value would be ultimately available to pay claimants. Given the rapidly dwindling insurance coverage, increasing Asbestos Claims, and limited assets, Valves determined it should evaluate potential strategic alternatives to address its increasing asbestos liability allegations.

E. Debtor's Prepetition Restructuring Efforts

Under the guidance of Weil, Gotshal & Manges LLP ("**Weil**~~,~~") and AP Services, LLC ("**Alix**," together with Weil, the "**Advisors**") in August 2023, Valves began to review potential strategic alternatives to address its increasing asbestos liabilities. Such alternatives included (i) maintaining the status quo by pursuing out-of-court settlements, seeking dismissals, or defending cases at trial, and paying out individual settlements and verdicts as they came due, (ii) pursuing an out-of-court restructuring to resolve Valves' asbestos liabilities, or (iii) implementing a comprehensive resolution of the asbestos liabilities through a chapter 11 filing.

After reviewing potential strategic alternatives under the guidance of the Special Committee (as defined below), Valves determined that its best path forward was to implement a restructuring through a chapter 11 case. To assist in this process, Valves took a series of steps to effectuate a potential restructuring through the chapter 11 process. First, Weil engaged Bates White, LLC ("**Bates White**"), on behalf of Valves, to provide an estimate of Valves' Asbestos Claims to determine the full scope of its potential liabilities. Second, on April 15, 2024, the Valves board of directors appointed Paul Aronzon to serve as an independent director and formed a special committee ("**Special Committee**") with Mr. Aronzon as the sole member thereof. The Special Committee engaged Paul Hastings LLP ("**Paul Hastings**") to review certain aspects of Valves' business and investigate whether any potential claims existed in connection with transactions entered into by Valves, particularly those involving other Weir entities and Valves insiders, including current and former directors and officers, that could give rise to claims Valves may have against such parties (the "**Investigation**"). Third, upon completion of (i) Bates White's estimation of Asbestos Claims and (ii) the Investigation, Valves, with the oversight of the Special Committee, determined it was in Valves' and its creditors' best interests to organize a committee of plaintiffs' firms with which to negotiate the terms of a consensual chapter 11 plan.

Starting in October 2024, Valves engaged with the ACC to commence settlement discussions. To help facilitate settlement discussions, the ACC retained (i) RC as legal counsel in November 2024, (ii) FTI as financial advisor in February 2025, and (iii) Cohen Ziffer Frenchman & McKenna, as insurance counsel, in March 2025.

Following RC's engagement, the ACC sent various diligence requests to Weil, requesting certain documents and responses from Valves relating to the value of Valves' assets, including its claims and causes of action. The Advisors, working with Valves, provided responses to RC through a virtual data room. In addition, Weil and RC met weekly to discuss the ACC's diligence requests and other issues relevant to a potential chapter 11 settlement.

In addition to these document requests, the ACC requested several interviews in connection with its diligence. To that end, the ACC interviewed Wes Wadle, General Counsel of the Weir Group plc (North America), on February 25, 2025. In addition, on March 12, 2025, the ACC interviewed Mr. Aronzon. On March 25, 2025, the ACC informed Valves that its diligence work was ongoing and that it needed to complete such diligence prior to engaging in negotiations regarding the terms of a plan.

On April 15, 2025, Valves received a notice from Travelers asserting that its remaining coverage was fully eroded and that Travelers would no longer cover defense costs for Asbestos Claims beginning May 1, 2025. To protect its assets from further erosion by litigation costs while the ACC concludes its diligence and negotiation on the terms of a chapter 11 plan, Valves commenced this Chapter 11 Case.

As of the Petition Date, the ACC was composed of the following law firms: (i) Belluck Law, LLP, (ii) Galiher DeRobertis & Waxman, LLP, (iii) Goldberg Persky White, P.C., (iv) Maune Raichle Hartley French & Mudd, LLC, (v) Meirowitz & Wasserberg, LLP, (vi) Simmons Hanley Conroy, (vii) SWMW Law, LLC, (viii) The Gori Law Firm, (ix) Waters Kraus Paul & Sie~~i~~gel, Weitz & Luxenberg, P.C., and (x) Wilentz, Goldman & Spitzer, PA. Valves estimates that the law firms composing the ACC represented approximately 65% of the Asbestos Claims that have been asserted against Valves as of the Petition Date.

Valves continued negotiations with the ACC up to the Petition Date, hoping to reach an agreement on the terms of a consensual plan. On August 14, 2025, the United States Trustee, Region 3 (the "**UST**") appointed the UCC, composed of seven Asbestos Claimants.

F. Travelers Coverage and Settlement of Certain Policies

Prior to the Petition Date, Travelers and other insurers provided insurance to Valves that covered Valves' defense costs as well as settlements (unless related to a date of first exposure after 1981) in accordance with certain insurance policies. As noted above, Valves believes its remaining insurance coverage under known, locatable policies with Travelers fully eroded on May 1, 2025. Prior to the Petition Date, Valves identified certain asbestos insurance policies of A&M issued by Travelers providing coverage for January 1, 1968, to January 1, 1970 (the "**Missing Policies**"), which Valves has been unable to locate. Prior to the Petition Date, Valves and Travelers engaged in negotiations regarding a potential settlement for Travelers to buy back the Missing Policies. Such negotiations are ongoing.

IV.
OVERVIEW OF DEBTOR'S CHAPTER 11 CASE

On the Petition Date, the Debtor filed a number of motions seeking various relief from the Bankruptcy Court that authorizes the Debtor to maintain its limited administrative functions in the ordinary course. Such relief is designed to ensure a seamless transition between the Debtor's prepetition and postpetition operations (which is limited to the management and resolution of Asbestos Claims), facilitate a smooth restructuring through the Chapter 11 Case, and minimize any disruptions to the Debtor's operations. The Debtor sought the following relief on the Petition Date to maintain its operations in the ordinary course by filing the following motions:

- *Motion of Debtor for Entry of Order (I) Authorizing Debtor to Employ Professionals Used in Ordinary Course of Business, and (II) Granting Related Relief* [Docket No. 60]; order entered September 2, 2025 [Docket No. 88];

- *Motion of Debtor for Entry of Order (I) Authorizing Debtor to Maintain Insurance Programs and (II) Granting Related Relief* [Docket No. 6]; order entered August 22, 2025 [Docket No. 64];

- *Motion of Debtor for Entry of an Order (I) Authorizing Debtor to Pay Prepetition Taxes and (II) Granting Related Relief* [Docket No. 7]; order entered August 22, 2025 [Docket No. 67]; and

- *Motion of Debtor for Entry of Interim and Final Orders (I) Authorizing Debtor to Continue Using Existing Bank Account and (II) Granting Related Relief* [Docket No. 4]; interim order entered July 31, 2025 [Docket No. 38], and final order entered August 29, 2025 [Docket No. 79].

A. Schedules and Statements

On August 22, 2025, the Debtor filed its schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs (collectively, the "**Schedules and Statements**") [Docket Nos. 68-69].

B. UCC Appointment

On August 14, 2025, the UST, pursuant to section 1102(a)(1) of the Bankruptcy Code, appointed the UCC comprised of the following seven Asbestos Claimants to represent the interests of the largest unsecured creditors in this Chapter 11 Case:

1. **Kristine Flower as estate representative for the estate of John F. Flower,** c/o Weitz & Luxenberg, P.C., Attn: Adam Dreksler, Esq., 700 Broadway, New York, NY 10003, Phone: (212) 558-5681; Email: adreksler@weitzlux.com;

2. **Alison Premo as Administratrix for the estate of Joseph G. Premo,** c/o Simmons Hanly Conroy, LLP, Attn: Lisa Nathanson Busch, Esq., 112 Madison Ave., 7th Floor, New York, NY 10016, Phone: (212) 784-6407; Email: lbusch@simmonsfirm.com;

3. **Peggy Kremer, Executrix of the estate of Robert P. Kremer,** c/o Goldberg, Persky & White, P.C., Attn: Bruce E. Mattock, Esq., 11 Stanwix Street, Suite 1800, Pittsburgh, PA 15222, Phone: (412) 471-3980; Email: bmattock@gpwlaw.com;

4. **Barbara Demario as representative for Anthony Demario,** c/o Belluck law, Attn: Joseph Belluck, Esq., 546 5th Avenue, 5th Floor, New York, NY 10036, Phone: (212) 681-1575; Email: jbelluck@bellucklaw.com;

5. **Alfonso Pagano,** c/o Maune, Raichle, Hartley, French & Mudd, LLC, Attn: Chris McKean, Esq., 1015 Locust St., Suite 1200, St. Louis, MO 63101, Phone: (314) 241-2003; Email: cmckean@mrhfmlaw.com;

6. **Tony Mass, as Administrator for the estate of James Walkowiak,** c/o Shrader & Associates, LLP, Attn: Allyson M. Romani, Esq., 9 Greenway Plaza, Suite 2300, Houston, TX 77046, Phone: (713) 782-0000, Email: allyson@shraderlaw.com; and

7. **Robert Parsons,** c/o Motley Rice LLC, Attn: Andrew Patterson, Esq., 28 Bridgeside Boulevard, Mount Pleasant, SC 29464, Phone: (843) 216-9000; Email: apatterson@motleyrice.com.

C. Bar Date Motion

On ~~[ ]~~March 16, 2026, the Debtor filed a motion to establish bar dates for holders of Claims, other than Asbestos Claims, to file such Claims against the Debtor (the "**Bar Date Motion**")~~. The~~ [Docket No. 337]. On March 26, 2026, the Bankruptcy Court entered order (the "**Bar Date** ~~Motion seeks to~~**Order**") [Docket No. 364] establishing, among other things, the following deadlines for filing proofs of claim:

- Non-Asbestos Claims Bar Date: ~~[ ]~~April 27, 2026 at 11:59 p.m. (prevailing Eastern Time) as the deadline for all creditors other than Asbestos Claimants to file proofs of claim against the Debtor (the "**Non-Asbestos Claims Bar Date**").

- Governmental Bar Date: ~~[•]~~April 27, 2026~~,~~ at 11:59 p.m. (prevailing Eastern Time) as the deadline for all Government Units (as defined in section 101(27) of the Bankruptcy

Code) to file proofs of claim with respect to a prepetition claim against the Debtor (the "**Governmental Claims Bar Date**").

- Supplemental Claims Bar Date: The later of (a) the Non-Asbestos Claims Bar Date or ~~the Applicable Governmental Claims Bar Date, as applicable, or (b)~~(b) 11:59 p.m. (prevailing Eastern Time) on the date that is 30 days after notice of an applicable Schedule amendment.

- Rejection Claims Bar Date: The later of (a) the Non-Asbestos Claims Bar Date or ~~Applicable Governmental Claims Bar Date, as applicable, or (b)~~(b) 11:59 p.m. (prevailing Eastern Time) on the date that is 30 days after service of the rejection order (unless otherwise ordered by the Court).~~[2]~~

In addition to establishing the various Bar Dates, the Bar Date ~~Motion seeks~~Order approv~~al~~ed ~~for~~ a form of notice of the Bar Dates for all creditors and parties in interest (other than Asbestos Claimants). Pursuant to ~~T~~the Bar Date ~~Motion provides that~~Order the Debtor ~~will~~ published the notice of the Bar Dates once in the national edition of The Wall Street Journal ~~or any other publications the Debtor deems appropriate~~.

D. Travelers Settlement

Travelers and Valves began negotiations regarding the Missing Policies prior to the Petition Date and continue to negotiate a settlement regarding the Missing Policies, although an agreement (the "**Agreement**") has not been reached as of the date hereof.

E. Weir Settlement and Contribution

After the Petition Date, the Debtor, the UCC, Weir, and First Reserve commenced negotiations regarding the terms of a settlement of potential estate causes of action the Debtor may have against Weir and First Reserve (the "**Weir/FR Settlement**"). If the Settlement Option is exercised, Weir shall pay or cause to have paid for and on behalf of Weir, its Related Parties other than the Debtor, and First Reserve (if the Settlement Option is exercised, the "**Settlement Parties**") a Cash contribution to be made on the Effective Date to the Trust in an amount ~~equal to $[•] to be~~ to be determined[2] to be implemented through the Plan (the "**Weir/FR Contribution**"), subject to entry of the Confirmation Order that approves the Weir/FR Settlement and the release of all Released Causes of Action against each Settlement Party. The Weir/FR Contribution shall be used for the payment of Asbestos Claims in accordance with the Plan, the Trust Distribution Procedures, and the Trust Agreement.

~~[2] The date for a governmental unit to file a proof of claim timely under Rule 3002(c)(1) of the Bankruptcy Rules (January 21, 2026) has passed as of the time of the filing of this Disclosure Statement.~~

[2] The Debtor, the UCC, Weir, and First Reserve have agreed to negotiate to determine whether a settlement of potential estate causes of action against Weir and First Reserve in exchange for a cash contribution by Weir on the Effective Date is feasible. The Debtor will disclose the results of such negotiations no later than 30 days prior to the Voting Deadline.

If agreement on the Weir/FR Settlement is not reached, the Settlement Option shall not be exercised. Absent the exercise of the Settlement Option, as of the Effective Date, the Trust Causes of Action, including Estate Causes of Action against Weir, its Related Parties other than the Debtor, and First Reserve, shall vest in the Trust free and clear of all Liens, Claims, Encumbrances, charges or other interests to the extent permitted by section 1141 of the Bankruptcy Code.[3]

V.
SUMMARY OF PLAN

A. General

This section of this Disclosure Statement summarizes the Plan, a copy of which is attached hereto as **Exhibit A**. This summary is qualified in its entirety by reference to the Plan. **YOU SHOULD READ THE PLAN IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.**

In general, a chapter 11 plan (i) divides claims and equity interests into separate classes, (ii) specifies the consideration that each class is to receive under the plan, and (iii) contains other provisions necessary to implement the plan. Under the Bankruptcy Code, "claims" and "equity interests," rather than "creditors" and "shareholders," are classified because creditors and shareholders may hold claims and equity interests in more than one class. Under section 1124 of the Bankruptcy Code, a class of claims is "impaired" under a plan unless the plan (i) leaves unaltered the legal, equitable, and contractual rights of each holder of a claim in such class or (ii) provides, among other things, for the cure of certain existing defaults and reinstatement of the maturity of claims in such class.

Classes 3, 4, 5, and 6 are Impaired under the Plan. Ballots are being furnished herewith to all holders of Claims in Class 3, Class 4, and Class 5 that are entitled to vote to accept or reject the Plan (the "**Eligible Holders**"). Only holders of Claims in Class 3, Class 4, and Class 5 are entitled to vote to accept or reject the Plan.

ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. THE RELEASE, EXCULPA~~P~~TION, AND INJUNCTION PROVISIONS ARE SET FORTH ON EXHIBIT B HERETO. YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED.

The Ballots include an election to opt-in to the non-debtor release provisions in Article 10.5(ii) of the Plan (the "**Non-Debtor Releases**"). Any holder of a Claim in the Voting Classes that

[3] ~~The Debtor, the UCC, Weir, and First Reserve have agreed to negotiate to determine whether a settlement of potential estate causes of action against Weir and First Reserve in exchange for a cash contribution by Weir on the Effective Date is feasible. This Disclosure Statement will be updated prior to solicitation with the results of such negotiations.~~

properly and timely elects to opt-in to the Non-Debtor Releases will be deemed a Releasing Party under the Plan.

VI.
CERTAIN TAX CONSEQUENCES OF PLAN

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtor and to holders of certain Claims. The following summary does not address the U.S. federal income tax consequences to holders who are Unimpaired, deemed to reject, or otherwise entitled to payment in full in Cash under the Plan.

The discussion of U.S. federal income tax consequences below is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Tax Code**"), Treasury regulations, judicial authorities, published positions of the Internal Revenue Service ("**IRS**"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. The U.S. federal income tax consequences of the Plan are complex and subject to significant uncertainties. The Debtor has not requested an opinion of counsel or a ruling from the IRS with respect to any of the tax aspects of the Plan. No assurance can be given that the IRS will not take a position contrary to the description of U.S. federal income tax consequences of the Plan described below.

This discussion does not address non-U.S., state, or local tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to special classes of taxpayers (*e.g.*, public entities and governmental units, foreign taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, individual retirement and other tax-deferred accounts, holders that are, or hold Claims through, S corporations, partnerships or other pass-through entities for U.S. federal income tax purposes, persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, persons subject to the alternative minimum tax or the "Medicare" tax on unearned income, persons who use the accrual method of accounting and report income on an "applicable financial statement," and persons holding Claims that are part of a straddle, hedging, constructive sale, or conversion transaction). In addition, this discussion does not address U.S. federal taxes other than income taxes, nor does it address the Foreign Account Tax Compliance Act.

The following discussion generally assumes that the Plan implements the liquidation of the Debtor for U.S. federal income tax purposes (including by way of distributions to the Trust), and that all distributions by the Debtor will be taxed accordingly. Additionally, this discussion assumes that (i) the various arrangements to which the Debtor is a party will be respected for U.S. federal income tax purposes in accordance with their form and (ii) except if otherwise indicated, the Claims are held as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Tax Code.

The foregoing summary has been provided for informational purposes only and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular holder's circumstances and income tax situation. All holders of Claims and Interests are

urged to consult their tax advisors concerning the federal, state, local, and other tax consequences applicable under the Plan.

A. Consequences to Debtor

The Debtor is a member of an affiliated group of corporations that files a consolidated federal income tax return with the Weir Group, Inc. as the common parent. The Debtor estimates that, as of the Petition Date, the Debtor does not have material historic tax attributes (including net operating losses ("**NOLs**")) for U.S. federal income tax purposes.

i. Limitations on NOLs and Other Tax Attributes

Under the Tax Code, any NOL carryforwards, disallowed interest expense carryforwards and certain other tax attributes of a corporation may be subject to an annual limitation if the corporation undergoes an "ownership change" within the meaning of section 382 of the Tax Code. These limitations apply in addition to, and not in lieu of, the attribute reduction that may result from the cancellation of debt ("COD") income arising in connection with the Plan (discussed below in Section VI.A.iii). The Debtor believes that no ownership change of the Debtor for purposes of section 382 of the Tax Code has occurred to date and intends that no such ownership change will occur prior to the liquidation of the Debtor pursuant to the Plan. On the Effective Date, the Debtor will transfer all of its assets to the Trust (excluding funds necessary to fund the (i) Professional Fee Escrow Account, (ii) the Non-Asbestos GUC Claim Fund and (iii) the Wind-Down Reserve), which is expected to effectuate a complete liquidation of the Debtor as of the Effective Date for U.S. federal income tax purposes. From and after the Effective Date, the Trust shall own the New Equity Interest solely for purposes of facilitating the orderly administration of the winding up and dissolution of the Debtor. Assuming such transfer of assets effectuates a complete liquidation of the Debtor as of the Effective Date, the issuance of such share is expected to have no U.S. federal income tax significance.

ii. Transfer of Assets to Non-Asbestos GUC Claim Fund and Trust; Dissolution of Debtor

The assignment of all the assets of the Debtor to the Trust is expected to effectuate a complete liquidation of the Debtor as of the Effective Date. For U.S. federal income tax purposes, the transfer of the Debtor's assets to the Non-Asbestos GUC Claim Fund and the Trust generally is treated as equivalent to a sale of such assets at their then fair market value. The transfer of the Debtor's assets to the Non-Asbestos GUC Claim Fund and the Trust is not expected to result in any material tax liability. The Debtor intends that transfers of assets to the Trust in respect of such claims will give rise to a deduction for U.S. federal income tax purposes to the extent permitted under the Tax Code.

iii. Cancellation of Debt

In general, the Tax Code provides that a debtor must recognize COD income upon the elimination or reduction of debt for insufficient consideration. The Tax Code provides an exception to such income recognition treatment for any COD arising by reason of the discharge of the debtor's indebtedness in the bankruptcy case or to the extent of the debtor's insolvency immediately before the cancellation of the debt. In such case, the Tax Code generally requires the debtor to reduce certain of its tax attributes – such as current year NOLs, NOL carryforwards, tax credits, capital losses, and tax basis in assets – by the amount of any such excluded COD income. COD income generally is the amount by which the adjusted issue price of cancelled debt exceeds the sum of the amount of cash and the fair market value of any other property given in exchange therefore. In general, any reduction in tax attributes under the COD rules does not occur until the end of the tax year, after such attributes have been applied to determine the tax for the year or, in the case of asset basis reduction, the first day of the taxable year following the tax year in which the COD occurs. Also, where the Debtor joins in the filing of a consolidated U.S. federal income tax return, applicable Treasury Regulations require, in certain circumstances, that the tax attributes of the consolidated subsidiaries of the debtor and other members of the group also be reduced.

Consistent with the intended treatment of the Plan as a plan of liquidation for U.S. federal income tax purposes, the Debtor believes that no COD should be incurred by a Debtor as a result of the implementation of the Plan prior to the distribution of the Debtor of all of its assets. There can be no assurance that the IRS will agree to such characterization, due to, among other things, a lack of direct authoritative guidance as to when COD occurs in the context of a liquidating chapter 11 plan, and thus there can be no assurance that all or a substantial amount of the COD, if any, will not be incurred earlier.

B. Consequences to Holders of Certain Claims

Pursuant to the Plan, each holder of an Allowed Non-Asbestos GUC Claim shall be entitled to receive its Pro Rata share of the Non-Asbestos GUC Claim Fund with all other Allowed Non-Asbestos GUC Claims.

Pursuant to the Plan, each Holder of an Allowed Asbestos Claim shall be entitled to receive its Pro Rata share of the Distributable Value of the Trust with all other Allowed Direct Asbestos Claims. Holders of Allowed Direct Asbestos Claims against the Debtor shall not receive any payment from the Trust unless and until such Claims are resolved in accordance with the Trust Documents, including the Trust Distribution Procedures applicable to Allowed Asbestos Claims.

i. Consequences to Holders of Non-Asbestos GUC Claims

Pursuant to the Plan, the Non-Asbestos GUC Claim Fund will be funded with cash on hand. All distributions from the Non-Asbestos GUC Claim Fund (which distributions will be net of the expenses, including taxes, relating to the retention or disposition of such assets) will be treated as received by holders in respect of their Allowed Non-Asbestos GUC Claims as if distributed by the Debtor. Gain or loss, if recognized, should be recognized when and to the extent property is actually distributed to such holder of an Allowed Non-Asbestos GUC Claim. Such gain or loss may be long-term capital gain or loss if the Allowed Non-Asbestos GUC Claim disposed of is a capital asset in the hands of the holder and has been held for more than one year. Each holder of an Allowed Non-Asbestos GUC Claim should consult its tax advisor to determine whether gain or loss recognized by such holder will be long-term capital gain or loss and the specific tax effect thereof on such holder. The character of any gain or loss depends on, among other things, the origin of the holder’s Allowed Non-Asbestos GUC Claim, when the holder receives payment (or is deemed to receive payment) in respect of such Allowed Non-Asbestos GUC Claim, whether the holder reports income using the accrual or cash method of tax accounting, whether the holder acquired its Allowed Non-Asbestos GUC Claim at a discount, and/or whether the holder has taken a bad debt deduction with respect to such Allowed Non-Asbestos GUC Claim.

Pursuant to Article 6.14 of the Plan, except as otherwise required by law (as reasonably determined by the Wind-down Officer), distributions in respect of any Allowed Non-Asbestos GUC Claim shall be allocated first to the principal amount of such Allowed Claim (as determined for U.S. federal income tax purposes) and, thereafter, to the remaining portion of such Allowed Claim, if any. However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. You are urged to consult your own tax advisor regarding the allocation of consideration received under the Plan, as well as the deductibility of accrued but unpaid interest and the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income for U.S. federal income tax purposes.

ii. Consequences to Holders of Asbestos Claims

Each Allowed Asbestos Claim will be satisfied in cash only from the Trust. For U.S. federal income tax purposes, distributions made from the Trust to holders of Allowed Asbestos Claims will be treated, with respect to such holders, as if distributed by the Debtor. The U.S. federal income tax treatment of the receipt of payments by a holder of an Allowed Asbestos Claim generally will depend on the nature of the Claim (*See* Section VI.C.ii). Amounts received by a holder of a personal injury claim generally should not be taxable to such holder for U.S. federal income tax purposes to the extent they represent damages (other than punitive damages) received on account of personal physical injuries or physical sickness. Because the tax treatment of any amounts received by a holder under the Plan will depend on facts particular to each holder, all holders of Allowed Asbestos Claims are urged to consult their own tax advisors as to the proper tax treatment of such amounts under their particular facts and circumstances.

C. Tax Treatment of Non-Asbestos GUC Claim Fund and Trust

i. Classification of Non-Asbestos GUC Claim Fund and Tax Reporting as a Disputed Ownership Fund

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary or the receipt of a determination by the IRS, it is intended that the Non-Asbestos GUC Claim Fund is treated as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9 and to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes.

The Non-Asbestos GUC Claim Fund will be subject to tax annually on a separate entity basis on any net income earned with respect to the assets allocable thereto (including any gain recognized upon the disposition of such assets). All parties (including, without limitation, the Debtor, the Wind-Down Officer and Holders of the Non-Asbestos GUC Claim Fund) will be required to report for tax purposes consistently with the foregoing.

The "disputed ownership fund" will be responsible for payment, out of the assets of the reserve or fund, of any taxes imposed on the reserve or its assets (including any tax imposed as a result of any gain recognized upon the disposition of such assets). In the event, and to the extent, any cash in the reserve or fund is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets of such reserve or fund (including any income that may arise upon the distribution of the assets in such reserve), assets of the reserve or fund may be sold to pay such taxes.

ii. Classification of Trust and Tax Reporting as a Qualified Settlement Fund

As indicated above, the Debtor will assign all of the assets of the Debtor, after the funding of the Professional Fee Escrow Account, the Non-Asbestos GUC Claim Fund and the Wind-Down Reserve, to the Trust to effectuate the complete liquidation of the Debtor as of the Effective Date. The Trust is expected to be treated as a qualified settlement fund within the meaning of the Treasury Regulation issued under section 1.468B of the Internal Revenue Code. In general, as relevant to the Plan, a Holder of an Asbestos Claim is a claim asserting a liability arising out of a tort, breach of contract, or violation of law.

As a qualified settlement fund, the Trust will be subject to a separate entity-level U.S. federal income tax at the maximum rate applicable to trusts and estates (currently 37%). Any income or loss (including administrative costs) allocable to assets that are treated as held by a qualified settlement fund, including any gain or loss recognized upon disposition or distribution of such assets (treating the fair market value of the property on the date received by the qualified settlement fund as its initial tax basis), will be included in the taxable income of the qualified settlement fund that is subject to a separate entity level tax. All parties (including, without limitation, the Debtor, the Trust and the holders of beneficial interests in the Trust) will be required to report for tax purposes consistently with the foregoing.

D. <u>Withholding</u>

All distributions to holders of Allowed Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate (currently 24%). Backup withholding generally applies if the holder (a) fails to furnish its social security number or other taxpayer identification number, (b) furnishes an incorrect taxpayer identification number, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the tax identification number provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions. Holders of Allowed Claims are urged to consult their tax advisors regarding the Treasury Regulations governing backup withholding and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations.

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these Treasury Regulations and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations and require disclosure on the holder's tax returns.

The foregoing summary has been provided for informational purposes only. All holders of Claims and Interests are urged to consult their tax advisors concerning the federal, state, local and other tax consequences applicable under the Plan.

VII.
CERTAIN RISK FACTORS TO BE CONSIDERED

Before voting to accept or reject the Plan, holders of Claims and Interests should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement together with any attachments, exhibits, or documents incorporated by reference hereto. The factors below should not be regarded as the only risks associated with the Plan or its implementation.

A. Certain Bankruptcy Law Considerations

i. General

Although the Plan is designed to minimize the length of the Chapter 11 Case, it is impossible to predict with certainty the amount of time that the Debtor may spend in bankruptcy or to assure parties in interest that the Plan will be confirmed.

ii. Risk of Non-Confirmation of Plan

There can be no assurance that the requisite acceptances to confirm the Plan will be obtained. While the Debtor believes the Plan is confirmable under the standards set forth in section 1129 of the Bankruptcy Code, there is no guarantee that the Plan will be accepted by the requisite Class entitled to vote on the Plan. Even if the Voting Classes vote in favor of the Plan or the requirements for "cramdown" are met with respect to any Class that rejects the Plan, the Bankruptcy Court could decline to confirm the Plan if it finds that any of the statutory requirements for confirmation are not met. If the Plan is not confirmed, there can be no assurances that the Chapter 11 Case will continue rather than be dismissed or converted to a chapter 7 liquidation, or that any plan of liquidation or alternative reorganization would be on terms as favorable to the holders of Claims as the terms of the Plan. If a liquidation or alternative reorganization were to occur, there is a substantial risk that the value of the Debtor's assets would be substantially reduced to the detriment of all stakeholders. Further, in such event, the Debtor may not have sufficient liquidity to operate in bankruptcy for such an extended period.

iii. Claims Could be Greater than Projected

There can be no assurance that the estimated amount of Claims in certain Classes will not be significantly more than projected, which could cause the value of distributions to creditors to be reduced substantially. Certain assumptions may not materialize, and unanticipated events and circumstances may affect the ultimate results. For example, discrepancies between the actual amounts and the estimates regarding the Allowed Administrative Expense Claims and Allowed Other Priority Claims could significantly impact the distributions to other creditors. For the foregoing reasons, the actual amount of Allowed Claims may vary materially.

iv. Distributions to Allowed Claims Under Plan May Change

Projected distributions are based upon good faith estimates of the total amount of Claims ultimately allowed and the funds available for distribution. The Debtor believes that these assumptions and estimates are reasonable. However, as aforementioned unanticipated events or circumstances could result in such estimates increasing or decreasing materially, both the actual amount of Allowed Claims in a particular Class and the funds available for distribution to such Class may differ from the Debtor's estimates. If the total amount of Allowed Claims in a Class is higher than the Debtor's estimates, or the funds available for distribution to such Class are lower than the Debtor's estimates (including estimates of the amount of cash to be realized from liquidation of the Debtor's remaining assets), the percentage recovery to holders of Allowed Claims in such Class will be less than projected. For example, if Administrative Expense Claims are lower (or higher) than anticipated, then the amount available for distribution to creditors would be more (or less) than projected herein and recoveries on account of Allowed Claims would be more (or less) than the estimated recoveries set forth herein.

v. Classification and Treatment of Claims and Interests

Section 1122 of the Bankruptcy Code requires that the Plan classify Claims against, and Interests in, the Debtor. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests in such Class. The Debtor believes that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtor may seek (i) to modify the Plan to provide for whatever classification might be required for Confirmation and (ii) to use the acceptances received from any creditor for the purpose of obtaining the approval of the Class or Classes of which such creditor ultimately is deemed to be a member. Any such reclassification of creditors, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such creditor was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtor may, in accordance with the Bankruptcy Code and the Bankruptcy

Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan of any holder of Allowed Claims will constitute a consent to the Plan's treatment of such holder regardless of the Class as to which such holder is ultimately deemed to be a member. The Debtor believes that under the Bankruptcy Rules, it would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the claim of any creditor or equity interest holder.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest in a particular Class unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Debtor believes that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny Confirmation of the Plan.

Issues or disputes relating to classification and/or treatment could result in a delay in the Confirmation of the Plan and could increase the risk that the Plan will not be consummated.

vi. Debtor May Object to Amount or Classification of a Claim

The Debtor and/or the Trustee, as applicable, reserve the right to object to the amount or classification of any Claim under the Plan. The estimated recoveries set forth in this Disclosure Statement cannot be relied on by any holder of an Allowed Claim where such Claim is or may become subject to an objection. Any holder of an Allowed Claim that is or may become subject to an objection may not receive its expected share of the potential distributions described in this Disclosure Statement.

vii. Risk of Delayed Confirmation or Effective Date

Although the Debtor expects that the Plan will be confirmed on or shortly after the scheduled Confirmation Hearing, there is a risk that confirmation of the Plan will be delayed. Similarly, there can be no assurances that the Effective Date will occur in June 2026 because the Effective Date is contingent upon satisfaction of the conditions precedent to the Effective Date set forth in the Plan. If the Plan is not effective by June 2026, it could detrimentally impact the administration of the Debtor's estate and reduce recoveries available to creditors.

viii. Risk of Conversion into Chapter 7 Case

If no plan can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interest of holders of Claims and Interests, the Chapter 11 Case may be converted a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. ~~Section IX.C of this Disclosure Statement contains~~*See* **Exhibit D** attached hereto (the "**Liquidation Analysis**") for a discussion of the negative effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Interests.

ix. Value of Retained Causes of Action is Uncertain

The Causes of Action that will vest in the Trust are inherently difficult to value; any such Cause of Action may prove to have limited or zero value. In addition, litigating the Causes of Action is a time consuming and expensive process. Though the Debtor believes that the Causes of Action may be valuable, such value may be difficult to realize.

B. ~~E.~~ Other Considerations, Risk Factors, and Disclaimers

i. Financial Information Disclaimer

To the extent financial information is contained in this Disclosure Statement, the exhibits to this Disclosure Statement, or any document filed in connection herewith, such information is derived from the Debtor's books and records available at the time of preparation and has not been audited. Although the Debtor has used its reasonable business judgment to ensure the accuracy of any financial information provided in this Disclosure Statement, and the Debtor believes that any such information fairly reflects in all material respects the financial condition and results of the Debtor as of the date or time period stated, the Debtor is unable to warrant or represent that such information is without inaccuracies.

ii. Tax Claims Could Be More Than Projected

There can be no assurance that the estimated Allowed amount of Priority Tax Claims relating to federal and state income tax exposure, including interest, will not be significantly more than projected, which in turn, could cause the value of distributions to creditors to be reduced substantially. Further, the estimated Allowed amount of Claims with respect to Class 1 (including Secured Claims relating to state tax liabilities offset by available tax refunds) and Class 3 (including General Unsecured Claims relating to federal and state tax penalties) may also be significantly more than projected. The Debtor has made certain assumptions in arriving at these estimates. These assumptions may not be accurate, and unanticipated events or circumstances may affect the ultimate tax liability. Given these uncertainties, the actual amount of Allowed Claims with respect to taxes may vary materially.

iii. Potential Tax Liability in Implementation

The Debtor may incur certain federal, state, or local tax liabilities relating to the transfer of assets to the Trust and the liquidation of the Debtor. Such tax liabilities may be material, depending on certain factors, including, without limitation, the value of the assets at the time of the transfer, the extent that such transfers give rise to deductions, and the availability of certain net operating loss carryforwards and tax credits. There can be no assurance that taxing authorities will agree with the Debtor's valuation of the transferred assets or the availability or amount of any deductions claimed or net operating loss carryforwards or tax credits utilized. Accordingly, the Debtor may incur taxes on the transfer of the assets to the Trust, which could cause the value of distributions to claimants to be reduced materially.

iv. Other Tax Considerations

There are a number of material income tax considerations, risks, and uncertainties associated with the consummation of the Plan. Holders of Claims and Interests and other interested parties should read carefully the discussion of certain U.S. federal income tax consequences of the Plan set forth above.

v. Debtor Has No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been any change in the information set forth herein since that date. The Debtor has no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

vi. No Representations Outside of Disclosure Statement Are Authorized

The information contained in this Disclosure Statement is for purposes of soliciting acceptances of the Plan and may not be relied upon for any other purposes. No representations concerning or related to the Debtor, the Chapter 11 Case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon in making a decision.

vii. Projections and Other Forward-Looking Statements are Not Assured, and Actual Results May Vary

Certain of the information contained in this Disclosure Statement is inherently forward-looking, and contains estimates and assumptions, which may ultimately prove incorrect, and projections, which may be materially different from actual future experiences. There are uncertainties associated with all projections, estimates, and assumptions, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be allowed.

viii. No Legal or Tax Advice Is Provided to You By This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim or Interest should consult their own legal counsel and accountant as to legal, tax, and other matters concerning their Claim or Interest. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

ix. No Admission Made

The information and statements contained in the Plan and this Disclosure Statement will neither constitute an admission of any fact or liability by any entity nor be deemed evidence of the tax or other legal effects of the Plan on the Debtor, the Liquidating Trust, holders of Claims or Interests, or any other parties in interest. In addition, no reliance should be placed on the fact that a particular litigation Claim is, or is not, identified in this Disclosure Statement.

VIII.
VOTING PROCEDURES AND REQUIREMENTS

Before voting to accept or reject the Plan, each Eligible Holder should carefully review the Plan attached hereto as **Exhibit A**. All descriptions of the Plan set forth in this Disclosure Statement are subject to the terms and conditions of the Plan.

A. Voting Deadline

All Eligible Holders have been sent a Ballot together with this Disclosure Statement. Such Eligible Holders should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement to cast your vote.

The Debtor has engaged Kroll Restructuring Administration LLC as its solicitation and voting agent ("**Kroll**" or the "**Solicitation Agent**"), to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan.

FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT AT THE ADDRESS SET FORTH BELOW AND IN YOUR BALLOT OR ELECTRONICALLY RECEIVED IN ACCORDANCE WITH THE ONLINE VOTING INSTRUCTIONS SET FORTH IN THE BALLOT ON OR BEFORE 4:00 P.M. (PREVAILING EASTERN TIME) ON JUNE 9, 2026 (THE "VOTING DEADLINE") UNLESS EXTENDED BY THE DEBTOR.

If a Ballot is damaged or lost, claimants may contact the Solicitation Agent to receive a replacement Ballot. Any Ballot that is executed and returned but which does not indicate a vote for acceptance or rejection of the Plan, or which indicates both an acceptance and rejection of the Plan, will not be counted. If claimants have any questions concerning the voting procedures, claimants may contact the Solicitation Agent at:

Valves and Controls US, Inc. Ballots Processing Center
c/o Kroll Restructuring Administration LLC
850 Third Avenue, Suite 412
Brooklyn, NY 11232
Email: valvesandcontrolsinfo@ra.kroll.com
(with "Valves and Controls Solicitation Inquiry" in the subject line) or
Phone (U.S./Canada, Toll Free): (888) 341-7352
Phone (if calling from outside the U.S. or Canada, Toll): +1 (646) 902-6077

Copies of the Disclosure Statement are also available on the Solicitation Agent's website (the "**Case Website**"), https://cases.ra.kroll.com/valvesandcontrols. PLEASE DO NOT DIRECT INQUIRIES TO THE BANKRUPTCY COURT.

B. Voting Procedures

Eligible Holders in each Class should provide all of the information requested by the Ballot, and should complete and return all Ballots received in the enclosed, self-addressed, postage-paid business reply envelope provided with each such Ballot (or otherwise by regular mail, overnight courier, or hand delivery) to the Solicitation Agent, or electronically solely via the customized online balloting portal (the "**E-Ballot Portal**") located on the Debtor's case website to be maintained by Kroll. The E-Ballot Portal is the only acceptable means of electronic Ballot submission. Ballots submitted by facsimile or electronic mail will not be counted. Regardless of the manner of submission, Ballots must be actually received by the Solicitation Agent on or before the Voting Deadline to be considered timely.

HOLDERS ARE STRONGLY ENCOURAGED TO SUBMIT THEIR BALLOTS VIA THE E-BALLOT PLATFORM.

C. Parties Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "impaired" classes are entitled to vote on a plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

If, however, the holder of an impaired claim or interest will not receive or retain any distribution under the plan on account of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan, and, accordingly, holders of such claims and interests do not actually vote on the plan. If a claim or interest is not impaired by the plan, the Bankruptcy Code deems the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The Bankruptcy Code defines "acceptance" of a plan by a class of (1) claims as acceptance by creditors in that class that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the claims that cast ballots for acceptance or rejection of the plan and (2) interests as acceptance by interest holders in that class that hold at least two-thirds (2/3) in amount of the interests that cast ballots for acceptance or rejection of the plan.

The Claims in the following Classes are Impaired under the Plan and entitled to vote to accept or reject the Plan:

- Class 3 (Non-Asbestos GUC Claims), Class 4 (Direct Asbestos Claims), and Class 5 (Indirect Asbestos Claims).

An Eligible Holder should vote on the Plan by completing a Ballot in accordance with the instructions therein and as set forth above and at the E-Ballot Portal, as applicable.

The Ballots include an election to opt-in to the Non-Debtor Releases. Any holder of a Claim in the Voting Classes that properly and timely elects to opt-in to the Non-Debtor Releases will be deemed a Releasing Party under the Plan.

All Ballots must be signed by the holder of record of the Claim or such holder's authorized signatory (or, if applicable, the voting representative of such holders) and comply with the procedures set forth in the Disclosure Statement. As set forth in the Disclosure Statement, unless otherwise ordered by the Bankruptcy Court, Ballots will not be counted if claimant fails to comply with the solicitation and voting procedures, including by, among other things, submitting a Ballot:

- after the Voting Deadline, unless the Debtor (in consultation with the UCC) shall have granted, or the Court shall have ordered, an extension of the Voting Deadline in writing (email being sufficient) with respect to such Ballot;

- that is illegible or contains insufficient information to permit the identification of the claimant;

- cast by a person or entity that does not hold a Claim in Class 3, Class 4, or Class 5 as of the voting record date;

- cast by a person who is not entitled to vote, even if such individual holds a Claim in Class 3, Class 4, or Class 5;

- that is unsigned; provided that any Ballot cast via the E-Ballot Portal will be deemed to contain an immediately legally valid and effective signature;

- which the Court determines, after notice and a hearing, was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code;

- transmitted to the Solicitation Agent by means not specifically approved herein;

- if a holder of a Claim casts a Ballot that is properly completed, executed, and timely returned to the Solicitation Agent, but does not indicate either an acceptance or rejection of the ~~Proposed~~ Plan;

- if a holder of a Claim casts a Ballot that is properly completed, executed, and timely returned to the Solicitation Agent, but indicates both an acceptance and a rejection of the ~~Proposed~~ Plan;

- a holder of a Claim shall be deemed to have voted the full amount of its Claim in each Class and shall not be entitled to split its vote within a particular Class. Any Ballot that partially accepts and partially rejects the ~~Proposed~~ Plan will not be counted; or

- if a holder of a Claim casts Ballots received by the Solicitation Agent on the same day, but which are voted inconsistently, such Ballots will not be counted.

Under the Bankruptcy Code, for purposes of determining whether the requisite votes for acceptance have been received, only Eligible Holders who actually vote will be counted. The failure of a holder to deliver a duly executed Ballot to the Solicitation Agent will be deemed to constitute an abstention by such holder with respect to voting on the Plan and such abstentions will not be counted as votes for or against the Plan.

Except as provided below, unless the Ballot is timely submitted to, and actually received by, the Solicitation Agent on or before the Voting Deadline, the Debtor may, in its sole discretion, reject such Ballot as invalid, and therefore decline to utilize it in connection with seeking confirmation of the Plan.

D. Waivers of Defects, Irregularities, etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawals of Ballots will be determined by the Solicitation Agent or the Debtor, as applicable, in its sole discretion, which determination will be final and binding. The Debtor reserves the right to reject any and all Ballots submitted by any of its respective creditors not in proper form, the acceptance of which would, in the opinion of the Debtor or its counsel, as applicable, be unlawful. The Debtor further reserves its respective rights to waive any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation (including the Ballot and the respective instructions thereto) by the Debtor, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtor (or the Bankruptcy Court) determines. Neither the Debtor nor the Solicitation Agent, nor any other person, will be under any duty to provide notification of defects or irregularities with respect to the manner of completion or deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

IX.
CONFIRMATION OF PLAN

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a confirmation hearing upon appropriate notice to all required parties.

The Debtor will request that the Bankruptcy ~~c~~Court schedule a hearing to consider confirmation of the Plan and any objections thereto (the "**Confirmation Hearing**"). Subject to the

Bankruptcy Court's availability, the Confirmation Hearing will be held on **June 16, 2026 at [●] [a.m./p.m.] (Eastern Time)**.

Notice of the Confirmation Hearing will be provided to all known creditors and Interest holders or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjourned date made at the Confirmation Hearing, at any subsequent adjourned Confirmation Hearing, or pursuant to a notice filed on the docket of this Chapter 11 Case.

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules and the Local Rules, must set forth the name of the objector, the nature and amount of the Claims held or asserted by the objector against the Debtor's estate or property, and the basis for the objection and the specific grounds therefore, and must be filed with the Bankruptcy Court and served upon the following parties, including such other parties as the Bankruptcy Court may order, on or before the Plan confirmation objection deadline of 4:00 p.m. (prevailing Eastern Time) on June 4, 2026.

(a) **Debtor** at
Valves and Controls US, Inc.
777 Main Street, Suite 2050
Fort Worth, TX 76102
Attn: Scott M. Tandberg (standberg@alixpartners.com)

(b) **Counsel to Debtor** at
Cole Schotz P.C.
500 Delaware Ave, Suite ~~2~~600
Wilmington, Delaware 19801
Attn: Patrick J. Reilley (preilley@coleschotz.com)
Michael E. Fitzpatrick (mfitzpatrick@coleschotz.com)
Melissa M. Hartlipp (mhartlipp@coleschotz.com)

-and-

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Matthew S. Barr (Matt.Barr@weil.com)
Ronit J. Berkovich (Ronit.Berkovich@weil.com)
Lauren Tauro (Lauren.Tauro@weil.com)
Alejandro Bascoy (Alejandro.Bascoy@weil.com)

(c) **Office of U.S. Trustee** at
Office of the United States Trustee for the District of Delaware
844 King Street, Suite 2207

Wilmington, Delaware 19801
Attn: Hannah J. McCollum (hannah.mccollum@usdoj.gov)

(d) **Counsel to UCC** at
Brown Rudnick LLP
Seven Times Square
New York, NY 10036
Attn: David J. Molton (dmolton@brownrudnick.com)
Eric R. Goodman (egoodman@brownrudnick.com)
D. Cameron Moxley (dmoxley@ brownrudnick.com)
Cathrine M. Castaldi (ccastaldi@brownrudnick.com)

-and-

Caplin & Drysdale, Chartered
1200 New Hampshire Avenue NW, 8th Floor
Washington, D.C.
Attn: Kevin C. Maclay (kmaclay@capdale.com)
Todd E. Phillips (tphillips@capdale.com)
Serafina Concannon (sconcannon@capdale.com)

IF AN OBJECTION TO CONFIRMATION IS NOT SERVED AND FILED ON OR BEFORE THE CONFIRMATION OBJECTION DEADLINE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of Plan

i. Requirements of Section 1129(a) of Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied, including, as applicable, whether:

(a) the Plan complies with the applicable provisions of the Bankruptcy Code;

(b) the Debtor has complied with the applicable provisions of the Bankruptcy Code;

(c) the Plan has been proposed in good faith and not by any means forbidden by law;

(d) any payment made or promised by the Debtor, for services or for costs and expenses in or in connection with the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(e) the Debtor has disclosed, to the extent known, the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or trustee of the Liquidating Trustee under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests holders of Claims and Interests and with public policy, and the Debtor has disclosed the identity of any insider who will be employed or retained by the Liquidating Trust, and the nature of any compensation for such insider;

(f) with respect to each Class of Claims or Interests, each holder of an impaired Claim or Interest has either accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtor was liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code;

(g) except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (as discussed further below), each Class of Claims or Interests either accepted the Plan or is not impaired under the Plan;

(h) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expense Claims, Other Priority Claims, and Priority Tax Claims will be paid in full or receive such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code;

(i) at least one Class of impaired Claims has accepted the Plan, determined without including any vote for acceptance of the Plan by any insider holding a Claim in such Class;

(j) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan; and

(k) all fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

As provided above, among the requirements for confirmation are that the Plan is (A) accepted by all impaired Classes of Claims and Interests entitled to vote or, if rejected or deemed rejected by an impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (B) in the "best interests" of the holders of Claims and Interests impaired under the Plan; and (C) feasible.

IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, THE DEBTOR WILL ASK THE BANKRUPTCY COURT TO RULE THAT THE PLAN MAY BE CONFIRMED ON THE GROUND THAT THE SECTION 1129(b) REQUIREMENTS HAVE BEEN SATISFIED.

ii. Best Interests Test

As noted above, with respect to each impaired class of claims and equity interests, confirmation of a plan requires that each such holder either: (a) accept the plan; or (b) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "best interests test."

This test requires a bankruptcy court to determine what the holders of allowed claims and allowed equity interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the plan.

Allowed Claims in Classes 1 and 2 are unimpaired and deemed to accept the Plan unanimously (thereby rendering the "best interests" test inapplicable to such Classes). Claims in Classes 3, 4, and 5 are impaired and entitled to vote on the Plan. Class 6 will receive no recovery and is deemed to reject the Plan.

In a typical chapter 7 case, a trustee is elected or appointed to liquidate a debtor's remaining assets for distribution to creditors in accordance with the priorities set forth in the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of disposition of the assets securing their liens. If any assets are remaining in the estate after satisfaction of secured creditors' claims from their collateral, administrative expenses are next to receive payment.

Unsecured creditors are paid from any remaining assets, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with the same priority. Finally, equity interest holders receive the balance that remains, if any, after all creditors are paid.

The Debtor believes that the Plan satisfies the "best interests" test because, among other things, as set forth in the Liquidation Analysis, asset recoveries expected to be available to holders of Allowed Claims under the Plan will be greater than the asset recoveries expected to be available in a chapter 7 liquidation, and the costs of a chapter 7 liquidation will exceed those of the Plan.

With respect to the costs of a chapter 7 liquidation versus the Plan, the Debtor believes that the costs of a chapter 7 liquidation would exceed the amounts paid to those professionals selected to administer the Trust, lowering the amount available for distribution to creditors. ~~In addition, causes of action and insurance recoveries are inherently uncertain and difficult to~~The Plan is based on the Debtor's work on estimating categories of claims and negotiating the settlements embodied in the Plan based on those values. A chapter 7 trustee would have to incur at least the time and expense of ~~getting up to speed with litigation surrounding thousands of individual Asbestos Claims~~that process, including the work of experts and financial analysts, in order to resolve all Claims already addressed through the Trust Distribution Procedures discussed in the Plan. A chapter 7 liquidation would have the hurdles of a chapter 7 trustee both getting up to speed with such work and litigating, or otherwise resolving, the hundreds of individual claims that make up the categories underpinning the value allocations in the Plan.

The Debtor also believes there is value in the fact that distributions under the Plan can be made to creditors earlier than in a chapter 7 liquidation. A chapter 7 trustee will hold, either for litigation costs or in a disputed claims reserve, all of the cash on hand of the Estate. ~~The Plan, however, establishes the Trust, which together with the Trust Distribution Procedures allow for an efficient resolution of claims and distributions to creditors. Chapter 7 of the Bankruptcy Code contains no provision for establishing a trust or other efficient means to resolve such Claims. Litigation and the reconciliation of Asbestos Claims in a chapter 7 liquidation will be more costly and time-consuming than resolving all Asbestos Claims through the Trust.~~For purposes of the Liquidation Analysis, the Debtor has estimated that it will take several years for a chapter 7 trustee to make distributions that would otherwise be made within the first six months to one year of implementation of the Plan. The Debtor's Liquidation Analysis detailing these differences is attached hereto as **Exhibit D**.

- ~~In light of the foregoing, it is likely that a significant portion of the cash available at the assumed conversion date (June 23, 2026) would be used to fund the administration of the chapter 7 case. As a result, recoveries to holders of Non-Asbestos General Unsecured Claims and Asbestos Claims would be uncertain and likely substantially lower, as compared to those provided for in the Plan and the Trust Distribution Procedures. Given the factors outlined above, Debtor submits that the Plan satisfies the "best interests" test in Bankruptcy Code section 1129(a)(7).~~

The Debtor notes that the Liquidation Analysis is speculative, as it is necessarily premised on assumptions and estimates, which are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Debtor. Other parties in interest may disagree with certain of the assumptions in the Liquidation Analysis and may challenge these assumptions or that the Plan satisfies the "best interests" test in connection with confirmation of the Plan.

The Liquidation Analysis is solely for the purpose of disclosing to holders of Claims and Interests the effects of a hypothetical chapter 7 liquidation of the Debtor, subject to the assumptions set forth therein. There can be no assurance as to values that would actually be realized in a chapter 7 liquidation nor can there be any assurance that a bankruptcy court will accept the Debtor's conclusions or concur with such assumptions in making its determinations under section 1129(a)(7) of the Bankruptcy Code.

~~Other parties in interest may disagree with certain of the assumptions herein and may challenge these assumptions or~~Given the factors outlined above, Debtor submits that the Plan satisfies the "best interests" test in Bankruptcy Code ~~conn~~section ~~with confirmation of the Plan~~1129(a)(7).

iii. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation, or the need for further financial reorganization, unless such liquidation or reorganization is proposed in the Plan. Because the Plan provides for the liquidation of the Debtor, the Bankruptcy Court will find that the Plan is feasible if it determines that the Debtor will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet its post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan, including sufficient funds for the Wind-Down Officer to liquidate the Debtor's remaining assets. Accordingly, the Debtor believes the Plan satisfies the feasibility requirement imposed by the Bankruptcy Code. Moreover, Section VII hereof sets forth certain risk factors that could impact the feasibility of the Plan.

iv. Unfair Discrimination Test

The "unfair discrimination" test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. A chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting Class are treated in a manner consistent with the treatment of other Classes whose legal rights are substantially similar to those of the dissenting Class and if no Class of Claims or Interests receives more than it legally is entitled to receive for its Claims or Interests. This test does not require that the treatment be the same or equivalent, but that such treatment is "fair."

The Debtor believes the Plan satisfies the "unfair discrimination" test with respect to any dissenting Class of Claims. Classes of Claims of equal priority are receiving comparable treatment and such treatment is fair under the circumstances. Other parties in interest may disagree that the Plan satisfies the "unfair discrimination" test and may challenge this conclusion in connection with confirmation of the Plan.

v. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirements that (a) no class of claims receive more than 100% of the allowed amount of the claims in such class and (b) no junior class of claims or interests receive any recovery under the Plan until senior classes have received a full recovery on their claims. As to dissenting classes, the test sets different standards depending on the type of claims in such class. The Debtor believes that the Plan satisfies the "fair and equitable" test because the holders of claims and equity interests that are junior to the claims of the dissenting class, if any, will not receive any property under the plan of liquidation. Accordingly, the Plan meets the "fair and equitable" test with respect to all Classes.

X.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF PLAN

The Debtor has evaluated several alternatives to the Plan. After studying these alternatives, the Debtor has concluded that the Plan is the best alternative and will maximize recoveries to parties in interest, assuming confirmation and consummation of the Plan. If the Plan is not confirmed and consummated, the alternatives to the Plan are (i) the preparation and presentation of an alternative plan of liquidation or reorganization, (ii) a sale of some or all of the Debtor's assets pursuant to section 363 of the Bankruptcy Code, or (iii) a liquidation under chapter 7 of the Bankruptcy Code.

A. Alternative Plan of Liquidation or Reorganization

If the Plan is not confirmed, the Debtor (or if the Debtor's exclusive period in which to file a plan of liquidation has expired, any other party in interest) could attempt to formulate a different plan. Such a plan might involve either an alternative plan of liquidation or an orderly liquidation of its assets. The Debtor, however, believes that the Plan, as described herein, enables its stakeholders to realize the most value under the circumstances.

B. Liquidation Under Chapter 7 of Bankruptcy Code

If no plan can be confirmed, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to its creditors in accordance with the priorities established by the Bankruptcy Code. The effect that a chapter 7 liquidation would have on the recovery of holders of Allowed Claims and Interests is ~~discussed in Section IX.C above, the "best interests test"~~set forth in the Liquidation Analysis attached hereto as **Exhibit D**. As set forth above, other parties in interest may disagree with certain of the assumptions in the ~~"best interests test"~~Liquidation Analysis and may challenge these assumptions and/or that the Plan satisfies the "best interests" test in connection with confirmation of the Plan. The Debtor believes that liquidation under chapter 7 would result in smaller distributions to creditors than those provided for in the Plan because of, among other things (i) the delay resulting from the conversion of the Chapter 11 Case, (ii) the additional administrative expenses associated with the appointment of a trustee and the trustee's retention of professionals who would have to familiarize themselves with the many legal and factual issues in the Chapter 11 Case, and (iii) the greater expenses associated with liquidating the Asbestos Claims as opposed to the costs associated with administering a liquidating trust in the Chapter 11 Case.

XI.
CONCLUSION AND RECOMMENDATION

The Debtor believes the Plan is in the best interests of all stakeholders and urge the holders of Claims in Classes 3, 4, and 5 to vote in favor thereof.

Dated: ~~March 6~~April 14, 2026

Respectfully submitted,

VALVES AND CONTROLS US, INC.

By: */s/ Scott M. Tandberg*
Name: Scott M. Tandberg
Title: Chief Restructuring Officer

<u>Exhibit A</u>

**Joint Chapter 11 Plan of Liquidation of Valves and Controls US, Inc.
and Official Committee of Unsecured Creditors**

<u>Exhibit B</u>

Release, Injunction, and Exculpation Provisions

10.4 <u>Plan Injunction</u>.

(i) **Except as otherwise provided in the Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, to the maximum extent permitted under applicable law, all Persons who have held, hold, or may hold Claims or Interests (whether proof of such Claims or Interests has been filed or not and whether or not such Persons vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, are forever barred, estopped, and permanently enjoined after the entry of the Confirmation Order from (a) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, the Debtor, the Post-Effective Date Debtor, the Trust, or the Estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing parties mentioned in this subsection (a) or any property of any such transferee or successor; (b) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, the Trustee, or the Wind-Down Officer or the property of the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, or the Wind-Down Officer, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing parties mentioned in this subsection (b) or any property of any such transferee or successor; (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance of any kind against the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, the Trustee, the Wind-Down Officer, or the property of the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, the Wind-Down Officer, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons mentioned in this subsection (c) or any property of any such transferee or successor; (d) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, or the Wind-Down Officer, or against the property or interests in property of the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, the Trustee, or the Wind-Down Officer, except (1) as contemplated or allowed by the Plan or (2) to the extent asserted in a timely filed proof of Claim or timely filed objection to the confirmation of the Plan; and (e) acting or proceeding in any manner, in any place whatsoever, that does not conform to, does not comply with, or is inconsistent with the provisions of the Plan; *provided*, *however*, that nothing contained herein shall preclude such Persons who have held, hold, or may hold Claims against or Interests in the Debtor or its Estate from exercising their rights, or obtaining benefits, pursuant to, and consistent with, the terms of the Plan and the Plan Documents<u>; *provided, further,* that the Debtor and the Post-Effective Date Debtor shall receive the benefit of this paragraph through and until the date upon which all remaining property of the Estate vests in the Trust</u>.**

(ii) **All Persons and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, in their capacities as such, holding Claims, Liens, Interests, charges, Encumbrances, or other interests of any kind or nature whatsoever, including rights or Claims based on any successor or transferee liability, against the Debtor, the Post-Effective Date Debtor, the Trust, or the assets transferred thereto (whether legal or equitable, secured or unsecured, matured or unmatured, contingent, or noncontingent, known or unknown), arising under or out of, in connection with, or in any way relating to the Debtor, the Post-Effective Date Debtor, the Estate, the operation of the Estate prior to the Effective Date, or the Trust Formation Transactions, shall be forever barred, estopped, and permanently enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim extinguished or released pursuant to the Plan; *provided, further,* that the Debtor and the Post-Effective Date Debtor shall receive the benefit of this paragraph through and until the date upon which all remaining property of the Estate vests in the Trust.**

(iii) **Notwithstanding anything to the contrary in Section ~~10.4~~10.4 of the Plan, the Plan Injunction shall not enjoin or impair (a) the rights of holders of Asbestos Claims to assert such Claims against the Trust in accordance with the Plan, the Trust Agreement, and the Trust Distribution Procedures, (b) the Trust from enforcing its rights under the Plan and the Confirmation Order, (c) the rights of the Trust to prosecute any action against an Insurance Company, (d) the rights of the Trust to prosecute any Trust Causes of Action, and (e) the rights of holders of Asbestos Claims to seek recovery on account of their Asbestos Claims or any other claim or Cause of Action from any Person, Entity, or Governmental Unit that is not the Debtor, the Post-Effective Date Debtor, the Estate, the Trust, or a Released Party.**

10.5 Releases

(ii) **Consensual Release by Releasing Parties.**

As of the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the Plan Documents, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties before and during the Chapter 11 Case to facilitate the liquidation of the Debtor and the implementation of the Trust and the Trust Formation Transactions and other efforts related thereto, and except as otherwise explicitly provided in the Plan, the Confirmation Order, or the Trust Agreement, the Releasing Parties shall conclusively, absolutely, unconditionally, irrevocably and forever discharge and release (and each Person so discharged and released shall be deemed discharged and released by the Releasing Parties) the Released Parties and their respective property, to the maximum extent permitted by law, as such law may be extended subsequent to the Effective Date, except as otherwise explicitly provided herein, from any and all Claims, counterclaims, disputes, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, Liens, remedies, losses, contributions, indemnities, costs, liabilities, attorneys' fees and expenses whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Post-Effective Date Debtor, its Estate, or the Trust (including any Causes of Action arising under chapter 5 of

the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that such holders or their estates, affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons or parties claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtor (as such entities existed prior to or after the Petition Date), the Post-Effective Date Debtor, its Estate, the conduct of the Debtor's business, the Estate Claims Settlement (solely in the event the Settlement Option is exercised), the Chapter 11 Case, the purchase, sale, or rescission of the purchase or sale of any security of the Debtor or the Post-Effective Date Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements or interactions between the Debtor and any Released Party (including the exercise of any common law or contractual rights of setoff or recoupment by any Released Party at any time on or prior to the Effective Date), the formation of the Trust and transactions related thereto, the Trust Agreement, the Trust Distribution Procedures, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the Disclosure Statement, the Plan and related agreements, instruments, and other documents (including the Plan Supplement), and the negotiation, formulation, preparation or implementation thereof, the solicitation of votes with respect to the Plan, or any other act or omission; *provided, however,* that, notwithstanding the foregoing, Claims or Causes of Action arising out of, or related to, any act or omission of a Released Party prior to the Effective Date that is later found to be a criminal act or to constitute fraud, gross negligence, or willful misconduct, including findings after the Effective Date under the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, are not released pursuant to Section ~~10.5(ii)~~10.5(ii) of the Plan.

Notwithstanding anything to the contrary in the foregoing, the release described in Section ~~10.5(ii)~~10.5(ii) of the Plan shall have no impact whatsoever on (a) the rights of holders of Asbestos Claims to assert such Claims against the Trust in accordance with the Plan, the Trust Agreement, and the Trust Distribution Procedures, (b) the rights of holders of Non-Asbestos GUC Claims to assert such Claims in accordance with the Plan, or (c) the rights of General Unsecured Claims to seek recovery from, and commence or continue litigation against, any Person, Entity, or Governmental Unit that is not a Released Party on account of their General Unsecured Claims or any other claim or Cause of Action.

The release of any Released Party by the Releasing Parties for any Causes of Action under Section ~~10.5(ii)~~10.5(ii) of the Plan shall not affect the liability of any non-Released Party for any such Causes of Action on any theory of law or equity. Nothing in the Plan, the Plan Documents, the Confirmation Order, any finding of fact and/or conclusion of law with respect to the Confirmation of the Plan, or any order or opinion entered on appeal from

the Confirmation Order, shall constitute any adjudication, judgment, trial, hearing on the merits, finding, conclusion, or other determination establishing that any non-Released Parties shall not be deemed to be liable (or continue to be liable) for their respective liabilities by reason of any theory of law or equity.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Section ~~10.5(ii)~~10.5(ii) of the Plan which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in Section ~~10.5(ii)~~10.5(ii) of the Plan is (a) in exchange for the good and valuable consideration provided by the Released Parties, (b) a good-faith settlement and compromise of the released Claims and Causes of Action, (c) fair, equitable, and reasonable, and (d) given and made after due notice and opportunity for hearing.

10.6 Exculpation.

Notwithstanding anything herein to the contrary, and to the maximum extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for act or omission taken on or after the Petition Date and prior to or on the Effective Date relating to, in any way, or arising out of, the Chapter 11 Case; the negotiation, formulation, preparation, dissemination, implementation, administration, confirmation, consummation, and pursuit of the Disclosure Statement (including any information provided, or statements made, in the Disclosure Statement or omitted therefrom), the formation of the Trust, the Trust Agreement, the Trust Distribution Procedures, the Plan (including the Plan Supplement), and the solicitation of votes for, and confirmation of, the Plan; the funding or consummation of the Plan (including the Plan Supplement); the occurrence of the Effective Date; the negotiations regarding or concerning any of the foregoing; the administration of the Plan and the property to be distributed under the Plan; the wind-down and liquidation of the Debtor; the offer, issuance, and distribution of any securities under or in connection with the Plan (if any); and the transactions and settlements in furtherance of any of the foregoing. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, Section ~~10.6~~10.6 of the Plan shall not exculpate or release any Exculpated Party with respect to any act or omission of such Exculpated Party prior to the Effective Date that is later found to be a criminal act or to constitute fraud, gross negligence, or willful misconduct, including findings after the Effective Date.

10.7 Injunction Related to Releases and Exculpation.

Except as otherwise expressly provided in the Plan, the Confirmation Order, all Persons and Entities who have held, hold, or may hold Claims, Interests or Causes of Action that have been released under Section ~~10.5(i)~~10.5(i) or Section ~~10.5(ii)~~10.5(ii), or are subject to exculpation under Section ~~10.6~~10.6, shall be permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable,

the Released Parties (solely with respect to Claims, Interests or Causes of Action that have been released under Section ~~10.5(i)~~10.5(i) or Section ~~10.5(ii)~~10.5(ii)), or the Exculpated Parties (solely as to Claims, Interests or Causes of Action subject to exculpation under Section ~~10.6~~10.6): (i) commencing or continuing in any manner any action or proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests or Causes of Action, (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action, (iii) creating, perfecting, or enforcing any Lien, Claim, or Encumbrance of any kind against such Entities or their respective assets and property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests or Causes of Action (other than rights of recoupment), (iv) asserting any right of setoff or subrogation of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action, and (v) commencing or continuing in any manner any action or other proceeding of any kind against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action. For the avoidance of doubt, nothing in Section ~~10.7~~10.7 of the Plan prohibits any party from timely pursuing any stay or appeal of the Confirmation Order and nothing in Section ~~10.7~~10.7 of the Plan shall afford any rights or benefit to any Parties or Entities that are not the Released Parties or the Exculpated Parties.

10.8 Insurance Entity Injunction.

All Persons that have held or asserted, that hold or assert, or that may in the future hold or assert any Cause of Action against any Insurance Company based upon, attributable to, arising out of, or in any way connected with any Insurance Policy, whenever and wherever arising or asserted, whether in the United States of America or anywhere else in the world, whether sounding in tort, contract, warranty, statute 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 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 Cause of Action, demand, or cause of action against any Insurance Company, or against the property of any Insurance Company, with respect to any such Cause of Action, demand, or cause of action (including, for the avoidance of doubt, directly pursuing any suit, action or other proceeding with respect to any such Cause of Action, demand, or cause of action against any Insurance Company);**

(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 Insurance Company, or against the property of any Insurance Company, with respect to any such Cause of Action;**

(iii) **creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance against any Insurance Company, or the property of any Insurance Company, with respect to any such Cause of Action; and**

(iv) **except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, or contribution of any kind, directly or indirectly, against any obligation of any Insurance Company, or against the property of any Insurance Company, with respect to any such Cause of Action;**

***provided*, *however*, that (a) this injunction shall not impair in any way any actions brought by the Trust against any Insurance Company, (b) the Trust shall have the authority at any time to terminate, or reduce or limit the scope of, the injunction with respect to any Insurance Company, in accordance with the Trust Documents, upon express written notice to such Insurance Company, and (c) this injunction is not issued for the benefit of any Insurance Company, and no Insurance Company is a third-party beneficiary of this injunction.**

Notwithstanding anything to the contrary in the Plan, this injunction shall not enjoin:

(v) **the rights of any insured party under any "Side A" coverage of any D&O Policy;**

(vi) **the rights of any Person to the treatment accorded them under the Plan, as applicable, including the rights of holders of Asbestos Claims to assert such Claims, as applicable, in accordance with the Trust Distribution Procedures;**

(vii) **the rights of the Trust to prosecute any action based on or arising from Insurance Policies;**

(viii) **the rights of the Trust to assert any Cause of Action, debt, obligation, or liability for payment against any Insurance Company based on or arising from the Insurance Policies; and**

(ix) **the rights of any Insurance Company to assert any Cause of Action, debt, obligation, or liability for payment against any other Insurance Company; or the Cause of Action for reinsurance under reinsurance contracts or Cause of Action under retrocessional contracts among an Insurance Company and any another Insurance Company.**

Exhibit C

Summary of Trust Distribution Procedures: Scheduled Values and Maximum Values

Exhibit D

Liquidation Analysis

Introduction

The "best interests" test under section 1129(a)(7) of the Bankruptcy Code requires the Bankruptcy Court find, as a condition to confirmation of the Plan, that each holder of a Claim or Interest in each Impaired Class has either (i) accepted the Plan or (ii) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such holder would receive if the Debtor is liquidated under chapter 7 of the Bankruptcy Code. To demonstrate the Plan satisfies the "best interests" test, the Debtor, with the assistance of its Advisors, has prepared this hypothetical liquidation analysis (the "**Liquidation Analysis**"), which estimates potential cash distributions to holders of Allowed Claims and Interests in a hypothetical chapter 7 liquidation of all the Debtor's assets. The Liquidation Analysis is based on certain assumptions discussed below and detailed in the accompanying "Notes to the Liquidation Analysis."

Statement of Limitations

The Liquidation Analysis was prepared for the sole purpose of assisting the court and holders of Impaired Claims or Interests to determine whether the Plan satisfies the "best interests" test and should not be used for any other purpose. The determination of the hypothetical liquidation proceeds, and costs of the liquidation of the Debtor's assets, is an uncertain process involving estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies outside the control of the Debtor, its management, and its advisors. Certain assumptions in the Liquidation Analysis may not materialize in a chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. No independent appraisals were conducted in preparing the Liquidation Analysis.

NEITHER THE DEBTOR NOR ITS ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTOR. THE ACTUAL AMOUNTS OF ALLOWED CLAIMS IN THIS CHAPTER 11 CASE COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. The Liquidation Analysis does not include estimates for (i) the tax consequences that may be triggered upon the conversion to chapter 7 or the liquidation and sale of assets, (ii) an estimate of the aggregate amount of Asbestos Claims, or (iii) recoveries resulting from insurance, litigation, or any other causes of action. More specific assumptions are detailed in the notes below.

Basis of Presentation

The Liquidation Analysis has been prepared assuming that the Debtor converts its current chapter 11 case to a case under chapter 7 of the Bankruptcy Code on or about June 23, 2026 (the "**Conversion Date**"). On the Conversion Date, it is assumed the Bankruptcy Court would appoint a chapter 7 trustee ("**Trustee**") to oversee the liquidation of the Debtor's estate, during which time any remaining assets of the Debtor would be sold or otherwise liquidated, and the net cash proceeds (net of all liquidation-related costs) would be distributed to creditors in accordance with applicable law.

The Liquidation Analysis is based on estimates of the Debtor's assets and liabilities derived from the Debtor's periodic financial reports and budgets. The analysis incorporates the following primary assumptions:

- The Trustee would pursue liquidation of the remaining assets of the Debtor, which may include certain causes of action and potential recoveries under insurance policies. Given the nature of the liquidation, it is likely to result in discounted values and recoveries on account of these assets.
- The Trustee would retain both legal and financial professionals to assist with (i) winding down the estates, (ii) engaging in settlement negotiations or litigation with claimants, insurers, and other interested parties, and (iii) analyzing and settling claims against the estate. Legal and other professional fees associated with the settling and litigation of Asbestos Claims, as well as the pursuit of insurance recoveries and causes of action, are expected to be significant.
- The Trustee would complete all the administrative and accounting activities required to make distributions to holders of Allowed Claims, wind down the estate, and close the case by final order of the Bankruptcy Court.

Conversion to chapter 7 is likely to cause certain claims to arise and be asserted against the estate that would not otherwise exist under the Plan absent a liquidation, including chapter 11 administrative claims and administrative claims of the Trustee and professionals retained by the Trustee. These chapter 7 claims would have priority of payment over unsecured claims, including Asbestos Claims. In chapter 7 proceedings, Non-Asbestos General Unsecured Claims and Asbestos Claims would have equal priority.

There are unique risks to consider in a chapter 7 that may ultimately result in reduced recoveries for Asbestos Claims. Conversion to chapter 7 would substantially impact the cost and efficiency of resolving Asbestos Claims. Chapter 7 of the Bankruptcy Code contains no provision for establishing a trust or other efficient means to resolve such Claims. In addition, the Trustee in any chapter 7 proceeding would be unable to make distributions to creditors until all assets of the Debtor's estate are reduced to cash and all of the estate's liabilities were liquidated, including the administrative expenses from the preceding Chapter 11 Case, as well as for the chapter 7 proceeding.

Under chapter 7, the Asbestos Claims would need to be resolved through litigation, and the Trustee would need to engage litigation counsel to defend and liquidate those Claims. This differs significantly from the Plan, which proposes to establish the Trust to resolve such Claims through the Trust Distribution Procedures. Litigation in a chapter 7 liquidation will be more costly and time-consuming than resolving all Asbestos Claims through the Trust.

Conclusion

Given the likely significant litigation and administrative costs to pursue recoveries from insurance and other causes of action, as well as costly and timely litigation to resolve Asbestos Claims, it is likely that a significant portion of the cash available at conversion would be used to fund the administration of the chapter 7 case. As a result, recoveries to holders of Non-Asbestos General Unsecured Claims and Asbestos Claims would be uncertain and likely substantially lower, as compared to those provided for in the Plan and the Trust Distribution Procedures. The Plan thus satisfies the best interests test under section 1129(a)(7) of the Bankruptcy Code.

Liquidation Analysis

(Added)

Liquidation Analysis

$ in thousands

	Notes	Value	Recovery % Low	Recovery % High	Proceeds Low	Proceeds High
Cash	[1]	$ 35,500	n/a	n/a	$ 35,500	$ 35,500
Other Assets		-	-	-	-	-
Total Assets		$ 35,500			$ 35,500	$ 35,500
Insurance and Causes of Action Recoveries	[2]				UNK	UNK
Gross Distributable Proceeds					$ 35,500	$ 35,500
Chapter 7 Administrative Costs						
Trustee Fees	[3]				$ (1,065)	$ (1,065)
Liquidation Professional Fees	[4]				UNK	UNK
Total Chapter 7 Administrative Costs					UNK	UNK
Net Distributable Proceeds					UNK	UNK
Non-Priority Unsecured Claims						
Asbestos Claims	[5]	UNK	UNK	UNK	UNK	UNK
Non-Asbestos General Unsecured Claims	[6]	UNK	UNK	UNK	UNK	UNK

Notes to the Liquidation Analysis

Note 1 – Cash

The estimated cash balance at the Conversion Date is based on Debtor's budgeted cash balance on June 23, 2026, reflecting forecasted activity through the Conversion Date.

Note 2 – Insurance and Causes of Action Recoveries

The estimated recovery on account of the Debtor's insurance policies and causes of action is undetermined. Causes of action and insurance recoveries are inherently uncertain and difficult to value. Litigating and settling these matters is likely to be a time-consuming and expensive process. Recoveries in a liquidation are speculative and uncertain at this time and are expected to be lower than would be achieved pursuant to the Plan.

Note 3 – Trustee Fees

Trustee fees consist of fees associated with the appointment of a trustee under chapter 7. These fees were calculated in accordance with section 326 of the Bankruptcy Code. The estimated fees included in the analysis were calculated based on the recovery of estimated cash and does not include fees based on any recovery from insurance proceeds, causes of action, or any other potential asset. As such, actual fees for a Trustee may be substantially higher than the fees reflected in this analysis.

Note 4 – Liquidation Professional Fees

The liquidation professional fees represent the costs of professionals engaged by the Trustee to assist with the liquidation of the Debtor's assets, resolution of claims, and the wind-down of the estate. These fees include legal, financial, tax and other services. Given the uncertain nature of the litigation and costs to pursue the insurance and causes of action and to resolve the numerous Asbestos Claims, the liquidation professional fees are undetermined. That said, these costs are expected to be substantially higher in a chapter 7 liquidation than would be required under the Plan.

Note 5 – Asbestos Claims

As of the date of the Disclosure Statement, the aggregate amount of Asbestos Claims is unknown.

Note 6 – Non-Asbestos General Unsecured Claims

Non-Asbestos General Unsecured Claims represents non-priority, unsecured claims. The Debtor is not aware of Non-Asbestos General Unsecured Claims that would be outstanding at the Conversion Date and any balance is unknown.