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Counsel for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

:
: **Chapter 11**
:
: **Case No. 24-32428 (KLP)**
:
:
:
:

MOTION FOR EXPEDITED STATUS CONFERENCE

Hopeman Brothers, Inc., the debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor”), respectfully represents as follows in support of this motion (the “Motion”):

RELIEF REQUESTED

1. The Debtor hereby seeks entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), setting an expedited status conference to report the results of the Mediation (defined below) and to discuss with the Court the Debtor’s plan for an expeditious and economical resolution of this chapter 11 case. The Debtor requests the Court schedule the status conference for **March 10, 2025, at 11:00 a.m. (prevailing Eastern Time)** (the “Status Conference”), at the outset of the previously scheduled hearings in this case.



JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated August 15, 1984. This is a core proceeding pursuant to 28 U.S.C. § 157, and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105(a) and (d)(1) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 9013-1(N) and (O) of the Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia (the “Local Rules”).

BACKGROUND

4. On June 30, 2024 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing this chapter 11 case. The Debtor continues to manage its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.¹

5. As explained in the First Day Declaration, the Debtor’s primary goal for this chapter 11 case is to establish an efficient and fair process to utilize the Debtor’s remaining cash and its insurance policies to address the thousands of asbestos-related claims asserted against the Debtor. To accomplish this goal without delay, the Debtor promptly sought this Court’s approval

¹ Additional information regarding the Debtor and the circumstances leading to the commencement of this chapter 11 case is set forth in detail in the *Declaration of Christopher Lascell in Support of Chapter 11 Petition and First Day Pleadings of Hopeman Brothers, Inc.* [Docket No. 8] (the “First Day Declaration”), which is fully incorporated herein by reference.

of two insurance settlements that would generate nearly \$50 million in cash and filed its Chapter 11 plan seeking to establish a trust to which the Debtor would transfer its assets and have the trust address the remaining asbestos-related claims asserted against it.

6. Specifically, on the Petition Date, the Debtor filed the first insurance settlement motion, seeking approval of an agreement with Chubb-related insurers [Docket No. 9] (the “Chubb Insurer Settlement Motion”).

7. Ten days later, the Debtor filed the second insurer settlement motion, seeking approval of an agreement with a different group of insurers [Docket No. 53] (the “Certain Settling Insurer Settlement Motion”; and, together with the Chubb Insurer Settlement Motion, the “Insurer Settlement Motions”)

8. On the same day, the Debtor sought approval of its proposed procedures for providing notice of the insurance settlement motions. *See* Docket No. 54.

9. Within two weeks of filing this case, on July 12, 2024, the Debtor filed both a *Plan of Liquidation of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 56] (the “Plan”) and a *Disclosure Statement with Respect to the Plan of Liquidation of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 57] (the “Disclosure Statement”).

10. On July 22, 2024, the Office of the United States Trustee (the “U.S. Trustee”) appointed an official committee of unsecured creditors [Docket No. 69] (the “Committee”).

11. To avoid wasting estate resources and the depletion of available insurance coverage while the Debtor works to accomplish its goals for this chapter 11 case, the Debtor obtained this Court’s approval of two interim Orders staying parties from the commencement or continuation, including the issuance or employment of process, of any action related to any asbestos-related

claim against insurers on behalf of the Debtor and its now-dissolved former subsidiary, Wayne Manufacturing Corporation, and against former or current officers and directors of the Debtor and Wayne. *See* Docket Nos. 35 and 245. The Committee appealed the second interim stay Order (the “Second Interim Stay Order”). The Second Interim Stay Order, unless extended, expires March 10, 2025.

12. On November 13, 2024, the Court entered its Order approving the Debtor’s motion to extend the exclusivity periods [Docket No. 321] and denying the Committee’s objection [Docket No. 342], extending by approximately 120 days (a) the period during which the Debtor has the exclusive right to file a chapter 11 plan (the “Exclusive Filing Period”) through and including February 25, 2025, and (b) the period during which the Debtor has the exclusive right to solicit a plan (the “Exclusive Solicitation Period”) through and including April 28, 2025. *See* Docket No. 359.

13. During the course of this case, the Debtor has made good faith efforts to obtain this Court’s approval of the Insurer Settlement Motions on an expeditious basis, while also allowing the Committee and creditors time to conduct discovery on and consider the merits of those proposed settlements.

14. Before completing that discovery, and following a Court-approved agreement by the Debtor and the Committee to adjourn the hearing on the Insurer Settlement Motions to December 16 [Docket No. 376], the Debtor and Committee executed a settlement term sheet, effective as of November 29, 2024 (the “November 29 Term Sheet”) through which, among other things, (a) the Debtor agreed to adjourn the hearing on the Chubb Insurer Settlement Motion, (b) the Debtor and Committee agreed to participate in judicial mediation concerning the Chubb Insurer Settlement Motion, and (c) the Committee agreed not to oppose approval of the Certain Settling

Insurers Settlement Motion at the December 16 hearing. The November 29 Term Sheet also provided that the Debtor and Committee agreed to negotiate in good faith over the terms of a chapter 11 plan that would propose to create a trust pursuant to section 524(g) of the Bankruptcy Code.

15. The Debtor successfully prosecuted the Certain Settling Insurers Motion at the December 16 hearing. On December 19, 2024, the Court entered its Order approving the Certain Settling Insurer Settlement Motion and overruling four objections to that settlement. *See* Docket No. 442 (the “Settlement Approval Order”). Subsequently, two parties appealed the Settlement Approval Order. As of the filing of this Motion, the sale approved by the Settlement Approval Order has not been consummated.

16. On December 17, 2024, the Court entered the *Agreed Order Continuing Hearing and Deadlines Solely as to Chubb Insurers Settlement Motion* [Docket No. 437], that continued the hearing as to the Chubb Insurers Settlement Motion to the omnibus hearing scheduled on March 20, 2025, and also adjourned indefinitely certain of the discovery/briefing deadlines related to the Chubb Insurers Settlement Motion that, as of November 29, 2024, had not yet expired. A copy of the November 29 Term Sheet was annexed to that agreed order.

17. On December 20, 2024, the Court entered its Order approving the joint motion by the Debtor and Committee to authorize judicial mediation (the “Mediation”) of the Chubb Insurer Settlement Motion [Docket No. 443] (the “Mediation Order”), among other things, (i) appointing the Honorable Kevin R. Huennekens as judicial mediator (the “Mediator”) and (ii) directing the Debtor, the Committee, and the related Chubb insurers (Century Indemnity Company and Westchester Fire Insurance Company) to mediate the relief sought in the Chubb Insurers Settlement Motion. The parties contemplated that the Mediation would occur during January, and

the Mediation Order authorized the Mediator to determine the process and procedures for the Mediation, which would include authority to extend the Mediation beyond January 31. The Debtor and the Committee consented to a request from Huntington Ingalls Industries, Inc. (“HII”) to participate in the Mediation.

18. As Debtor’s counsel reported to the Court at the omnibus hearing on February 13, the Mediator extended the Mediation past January 31. Since then, Mediation has continued into March. The Debtor also reported at the February 13 hearing that it was cautiously optimistic that the Mediation would result in an agreement regarding a path for the Debtor to exit chapter 11.

19. To allow the Mediation time to conclude, and to give the Debtor sufficient time to prosecute a Chapter 11 plan following those discussions, on February 19, the Debtor filed two motions that are currently scheduled to be heard at the March 10 hearing:

(a) *Second Motion of the Debtor for Entry of an Order (I) Extending the Exclusivity Periods to File and Solicit a Plan and (II) Granting Related Relief* [Docket No. 577] (the “Exclusivity Extension Motion”), seeking an extension of (a) the Exclusive Filing Period through and including May 25, 2025, and (b) the Exclusive Solicitation Period through and including July 25, 2025, and

(b) the *Motion of the Debtor for Entry of a Third Interim Order Extending the Automatic Stay to Stay Asbestos-Related Actions Against Non-Debtor Defendants* [Docket No. 579] (“Interim Stay Period Extension Motion”), seeking a third interim order extending the Stay Period from the current Stay Expiration Date, March 10, 2025, for an additional approximately four months until June 30, 2025.

20. Subsequent to the filing of these two motions, the Mediation resulted in an agreement between the Debtor, Committee and HII but not an agreement with the Chubb Insurers. On March 7, the Debtor, Committee and HII a *Settlement Term Sheet for § 524(g) Plan of*

Hopeman Brothers, Inc. (the “524(g) Term Sheet”),² a copy of which is annexed hereto as **Exhibit B**, that, *inter alia*, will provide the Debtor and its estate and creditors with a runway to accomplish the Debtor’s goals for this Chapter 11 case and also resolve the pending appeal of the Second Interim Stay Order³ and HII’s appeal of the Settlement Approval Order.

21. The 524(g) Term Sheet, *inter alia*, sets forth the essential terms on which the Debtor and Committee agreed to resolve the Debtor’s liability for asbestos-related claims, including that the Debtor and Committee have agreed to jointly prosecute a chapter 11 plan that would create a trust pursuant to section 524(g) of the Bankruptcy Code, and the Debtor would transfer its remaining insurance coverage and cash to that trust to allow for resolution of the thousands of asbestos claims against the Debtor after the effective date of the contemplated plan.

22. Among other provisions, the 524(g) Term Sheet provides that, within three business days, following execution, (a) HII will dismiss its appeal of the Settlement Approval Order and consent to consummation of the transactions set forth in the Settlement Approval Order, and (b) the Committee will agree not to oppose the Interim Stay Period Extension Motion. In addition, the Committee has agreed in the 524(g) Term Sheet that it will not oppose extension of the Debtor’s Exclusive Period Motion to allow adequate time for filing and confirming a chapter 11 plan through the period contemplated under the 524(g) Term Sheet.

23. In light of the above, the Debtor believes it is appropriate to promptly schedule the status conference to update the Court on the Mediation and the Term Sheet and to discuss what the Debtor contemplates for expeditiously and economically concluding this Chapter 11 case.

² The description of the 524(g) Term Sheet set forth in this Motion is qualified in its entirety by reference to the 524(g) Term Sheet.

³ Consistent with the 524(g) Term Sheet, a Stipulated Dismissal Order for the Committee’s appeal of the Second Interim Stay Order was filed in the District Court on March 6, 2025.

BASIS FOR RELIEF

24. Section 105(a) of the Bankruptcy Code provides that the Court “may issue any order . . . that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” Furthermore, section 105(d)(1) provides that the Court, “on its own motion or on the request of a party in interest . . . shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case.”

25. Bankruptcy Rule 9006(c) provides, in relevant part, that “the court for cause shown may in its discretion with or without motion or notice order the period reduced.” Fed. R. Bankr. P. 9006(c)(1). Local Rules 9013-1(N) and (O) allow the setting of the status conference on an expedited basis and shortening the notice in connection therewith, respectively, as requested herein.

26. An expedited status conference on the Mediation and the timing and process for a chapter 11 plan is appropriate under the circumstances. The Debtor believes the proposed status conference will provide the Court with appropriate background concerning substantive matters in the chapter 11 case prior to the Court’s consideration of the two pending extension motions. It also will permit the Debtor to discuss the process and timing for the chapter 11 plan and solicitation procedures that the Debtor and Committee will be filing with the Court, as contemplated by the 524(g) Term Sheet, as well as a further adjournment of the hearing on the Chubb Insurers Settlement Motion currently scheduled for March 20, to help all parties and the Court manage their schedules.

NOTICE

27. Notice of this Motion will be given pursuant to Local Rule 1075-1 and the procedures set forth in Article II of the “Procedures for Complex Cases in the Eastern District of

Virginia.” The Debtor submits that, in light of the nature of the relief requested, no other or further noticed need be given.

WHEREAS, the Debtor requests that the Court enter the Proposed Order granting the relief sought in the Motion and such other relief as this Court determines just and proper.

Dated: March 7, 2025
Richmond, Virginia

/s/ Henry P. (Toby) Long, III

Tyler P. Brown (VSB No. 28072)

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Counsel for the Debtor and Debtor in Possession

CERTIFICATION

Pursuant to Bankruptcy Local Rule 9013-1(N), I certify that the Debtor:

1. has carefully examined this matter and concluded that there is a true need for an emergency hearing.
2. has not created the emergency through the lack of diligence.
3. has made a *bona fide* effort to resolve the matter without a hearing.

/s/ Henry P. (Toby) Long, III

Henry P. (Toby) Long, III

Exhibit A

Proposed Order

HUNTON ANDREWS KURTH LLP

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Counsel for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

:
: **Chapter 11**
:
: **Case No. 24-32428 (KLP)**
:
:
:
:

ORDER SETTING AN EXPEDITED STATUS CONFERENCE

Upon the motion (the “Motion”)⁴ of the above-captioned debtor in the above-captioned chapter 11 case (the “Debtor”), for entry of an order (this “Order”) setting an expedited status conference to report the results of the Mediation and to discuss with the Court the Debtor’s plan for an expeditious and economical resolution of this chapter 11 case; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated August 15, 1984; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this

⁴ Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in this order, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The relief requested in the Motion is hereby granted.
2. A status conference shall be held on **March 10, 2025, at 11:00 a.m. (prevailing Eastern Time)** to report the results of the Mediation and to discuss with the Court the Debtor's plan for an expeditious and economical resolution of this chapter 11 case.
3. The Debtor is authorized to take all actions necessary to implement the relief granted in this Order.
4. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation or enforcement of this Order.

Dated: _____, 2025
Richmond, Virginia

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

/s/ Henry P. (Toby) Long, III

Tyler P. Brown (VSB No. 28072)

Henry P. (Toby) Long, III (VSB No. 75134)

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Counsel for the Debtor and Debtor in Possession

**CERTIFICATION OF ENDORSEMENT
UNDER BANKRUPTCY LOCAL RULE 9022-1(C)**

I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Henry P. (Toby) Long, III

Henry P. (Toby) Long, III

EXHIBIT B

524(g) Term Sheet

SETTLEMENT TERM SHEET FOR § 524(g) PLAN OF HOPEMAN BROTHERS, INC.

A. Preamble

1. This settlement term sheet ("**524(g) Term Sheet**") is executed by and between the debtor and debtor-in-possession Hopeman Brothers, Inc. ("**Debtor**") and the Official Committee of Unsecured Creditors appointed in the Debtor's bankruptcy case ("**Committee**"). The Debtor and the Committee are hereinafter collectively referred to as the "**Parties**" and individually referred to as a "**Party**."

2. This 524(g) Term Sheet sets forth the essential terms on which the Parties have agreed to settle the liability of the Debtor for Channeled Asbestos Claims via a § 524(g) plan. Each element of this compromise and settlement is consideration for each of the other elements and an integral aspect of the proposed resolution. **This 524(g) Term Sheet does not constitute an offer or solicitation for any chapter 11 plan of reorganization within the meaning of § 1125 of the Bankruptcy Code and is being presented for discussion and settlement purposes only.** This 524(g) Term Sheet is delivered and may be used only in connection with settlement discussions between the Parties and other signatories to this 524(g) Term Sheet and is entitled to protection from any use or disclosure to any party or person under Federal Rule of Evidence 408 and any other rule of similar effect.

3. The full implementation of the settlement set forth in this 524(g) Term Sheet is subject to (a) the negotiation and execution of definitive documentation in the form of a § 524(g) plan of reorganization and related documents for the Debtor ("**Plan**") acceptable to all the Parties and, to the extent provided below, Huntington Ingalls Industries, Inc. ("**HI**"); (b) the entry by the Bankruptcy Court for the Eastern District of Virginia, Richmond Division ("**Bankruptcy Court**"), the United States District Court for the Eastern District of Virginia ("**District Court**"), or the Bankruptcy Court and District Court acting jointly, of an order confirming the Plan ("**Confirmation Order**"); and (c) if the Confirmation Order is entered solely by the Bankruptcy Court, the entry of a separate order by the District Court approving or affirming the Confirmation Order ("**Affirmation Order**").

4. Unless defined elsewhere in this 524(g) Term Sheet, all capitalized terms have the meanings ascribed to them in Section G herein.

B. Future Claims Representative

The Parties will jointly move for entry of an order appointing Marla Rosoff Eskin of Campbell & Levine, LLC to serve as the legal representative ("**FCR**") for purposes of protecting the rights of persons that might subsequently assert Demands, in accordance with 11 U.S.C. § 524(g)(4)(B)(i). During the bankruptcy case, the FCR and her professionals will have an estimated budget of \$25,000 per month for up to five months for fees and expenses.

C. Certain Matters Relating to the Plan

1. The Parties shall work cooperatively to include in the Plan terms, provisions, and conditions that (a) will effectuate the agreements contained in this 524(g) Term Sheet, (b) satisfy the requirements of 11 U.S.C. § 524(g), and (c) are acceptable to the Parties and the FCR.

2. In accordance with the Plan, and upon satisfaction or waiver of each of the conditions precedent to the occurrence of the effective date of the Plan, which will occur as soon as reasonably practicable after entry of the Confirmation Order or, if applicable, the Affirmation Order (“**Effective Date**”):

(a) a trust will be established that satisfies § 524(g) and other applicable provisions of the Bankruptcy Code (“**Trust**”), which shall, subject to the terms of the Plan documents and in accordance with §§ 524(g) and 1141 of the Bankruptcy Code, assume and succeed to all liability and responsibility for all Channeled Asbestos Claims;

(b) except as otherwise provided in the Plan, the Debtor shall transfer all its assets, both tangible and intangible, to the Trust; and

(c) all existing equity security interests in the Debtor shall be terminated and extinguished, and the Reorganized Debtor shall thereupon issue new equity security interests, all of which shall be transferred to, and held by, the Trust.

3. In accordance with the Confirmation Order, the court shall appoint an individual designated by the Committee and the FCR (and acceptable to the Debtor) to serve as the initial trustee under the terms of the relevant Trust documents. All subsequent trustees shall be appointed in accordance with the terms of the relevant Trust documents. Additional details about the structure of the Trust are attached as **Exhibit A**.

4. The Debtor or Reorganized Debtor, as the case may be, shall, prior to or on the Effective Date of the Plan, acquire a low-cost, income-generating business or an interest in such a business. The Committee estimates the acquisition cost will be \$500,000 or less and will identify and provide a list of one or more such businesses acceptable to the Committee. The Committee shall negotiate, in consultation with the Debtor, the terms of any such acquisition and draft any documents needed for such acquisition, subject to review and approval by the Debtor (such approval not to be unreasonably withheld). The Debtor shall seek Bankruptcy Court approval for the acquisition of such business or interest therein, either in conjunction with the Plan or in a separate motion.

5. The Parties agree that the Debtor and the Committee, will be co-proponents of the Plan (“**Plan Proponents**”) and that the Debtor will assume primary responsibility for drafting the Plan, the disclosure statement, and any other documents related to the Plan other than any documents associated with the Trust. The Parties further agree that the Committee will assume primary responsibility for drafting all documents associated with the Trust, including the trust

agreement and the trust distribution procedures. The final forms of the Plan, the disclosure statement, and all other documents related to the Plan (including, without limitation, the trust agreement and trust distribution procedures) must be acceptable to the Plan Proponents (such acceptance not to be unreasonably withheld). The final forms of the Plan, the disclosure statement, and all other documents related to the Plan (excluding the trust agreement and trust distribution procedures) must be acceptable to HII only to the extent such Plan, disclosure statement, or other document may affect and/or alter HII's rights under the terms set forth in Section E.7 below (such acceptance not to be unreasonably withheld). HII will have a consultation right on the final forms of the Plan, the disclosure statement, and all other documents related to the Plan in all other respects. Notwithstanding the foregoing, the Parties shall not propose trust distribution procedures that alter HII's rights under Section E.7 below. If HII believes the proposed trust distribution procedures alter its rights under Section E.7 below, the Parties and HII shall meet and confer to attempt to resolve any disputes, and absent consensual resolution, such disputes shall be submitted to the Honorable Kevin R. Huennekens in his capacity as judicial mediator (or such other mediator who may be appointed by the Bankruptcy Court). If mediation does not resolve the dispute, the matter shall be submitted to the Bankruptcy Court for adjudication.

6. To the fullest extent permitted by applicable law, the Plan and the Confirmation Order shall, for any act taken or omitted to be taken in connection with the Plan, the disclosure statement, the Debtor's bankruptcy case, or any document created or entered into in connection with the Plan, exculpate the Plan Proponents and their directors, officers and professionals (acting in such capacity) from any liability to any entity. Notwithstanding the foregoing, no exculpation of the Plan Proponents or their professionals shall diminish, reduce, or eliminate the duties or obligations of any Asbestos Insurer under any Asbestos Insurance Policy or prepetition asbestos-related settlement agreement or coverage-in-place agreement.

7. In addition to the Asbestos Channeling Injunction (as contemplated in Section F below), the Plan will include estate and third-party releases of claims in favor of the Released Parties, the terms of which shall be subject to the consent of each of the Plan Proponents, which consent shall not be unreasonably withheld.

8. Nothing in the Plan will establish a bar date for Asbestos Claims. The Parties agree that they will not move for an order to establish a bar date for Asbestos Claims.

9. The Committee will, in its sole discretion, select and identify the persons to be appointed as members of the Trust's trust advisory committee ("TAC") to be created in accordance with the trust agreement on or after the Effective Date.

10. Any claims or demands by Liberty Mutual Insurance Company, or any other Non-Settling Insurer, or any Affiliate of any of the foregoing, shall, if resolved, be resolved in a manner acceptable to the Parties and, prior to the Effective Date of the Plan, also acceptable to HII. After the Effective Date of the Plan, HII will have a consultation right regarding any such resolution.

11. Except as otherwise specified in the Plan, and except for Causes of Action against any of the Released Parties and any other person or entity listed on the attached Exhibit B which represents a schedule of vendors, including professionals, that provided services to the Debtor

prior to the Petition Date and which Exhibit shall be finalized in conjunction with the Plan, upon the Effective Date, the Debtor shall assign or transfer all of its Causes of Action to the Trust.

12. The Committee will not oppose a motion of the Debtor to extend the exclusive periods to allow the Plan to be confirmed on the schedule contemplated by this Term Sheet, *i.e.*, through 6/30/2025.

13. The Plan Proponents shall seek approval of the Bankruptcy Court to have a combined hearing to approve of the disclosure statement and confirmation of the Plan.

D. Insurance Matters

1. On the Effective Date, the Trust shall become an estate representative under §§ 1123(a)(5) and 1123(b)(3)(B) of the Bankruptcy Code, with the exclusive right to any and all of the Asbestos Insurance Assets, subject to the provisions of the Plan that would permit holders of Channeled Asbestos Claims to bring actions against the Reorganized Debtor, against Wayne, and/or against Non-Settling Insurers to obtain the benefits of the Asbestos Insurance Coverage. Any entity that has issued an Asbestos Insurance Policy and each of its Affiliates, predecessors in interest, and agents are the “**Asbestos Insurers**,” but only in relation to the Asbestos Insurance Policies, including those insurers who issued, subscribed to, or have acquired the obligations of an issuing or subscribing insurer through assignment, conveyance, merger, acquisition, or other legal theory.

2. For the avoidance of doubt, the Asbestos Insurance Assets include all rights of the Debtor to coverage and insurance proceeds under the Asbestos Insurance Policies that are related to coverage for Channeled Asbestos Claims, together with all rights to insurance coverage and insurance proceeds related to Channeled Asbestos Claims under any prepetition settlement agreements or coverage-in-place agreements, as well as the right, on behalf of the Debtor, to compromise with or grant a full release to one or more Asbestos Insurers of any such insurance rights, whether under any such policy, settlement agreement, or coverage-in-place agreement. Except to the extent otherwise provided in this 524(g) Term Sheet, upon the Effective Date, the Debtor cannot compromise any part of the Asbestos Insurance Assets. The Plan shall provide that the Asbestos Insurance Policies and any related continuing coverage-in-place agreements shall remain in place unimpacted by the Plan and, to the extent any such Asbestos Insurance Policies or any such continuing coverage-in-place agreements are executory contracts, they shall be deemed assumed. For purposes of clarity, the Parties do not intend for the Debtor to assume prepetition settlement agreements (or any related indemnity obligations thereunder) that do not currently provide rights in favor of the Debtor to continuing coverage or insurance proceeds.

3. Prior to the Effective Date, the Debtor will cooperate and use reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things reasonably necessary to effectuate the transfer of the Asbestos Insurance Assets to the Trust on the Effective Date. By way of enumeration and not of limitation, the Debtor will:

(a) transfer the Debtor’s books and records to the Trust on the Effective Date, including the books and records presently stored in the Debtor’s warehouse in

Waynesboro, Virginia, and in or in storage near the offices of the Debtor's pre-petition claims administrator, Special Claim Services, Inc.; and

(b) prior to the Effective Date, execute any assignments necessary to allow the Trust to pursue claims relating to the Asbestos Insurance Assets in the Reorganized Debtor's name, including by means of arbitration, alternative dispute resolution proceeding, or litigation;¹

4. If any transfer or portion of a transfer of the Asbestos Insurance Assets to the Trust is determined to be invalid by a court of competent jurisdiction, upon the Trust's request and at the expense of the Trust, the Reorganized Debtor shall (a) take all reasonable actions with respect to such assets, including the prosecution of any insurance coverage and/or breach of contract action, for the benefit of, and to the extent reasonably requested by, the Trust; and (b) immediately transfer any amount recovered under or on account of any such assets to the Trust.²

E. Actions to Obtain Benefits of Asbestos Insurance Coverage

1. On the Effective Date, holders of Channeled Asbestos Claims shall have the right to initiate, continue, or prosecute an action against the Reorganized Debtor (and/or, if deemed an indispensable party, the Trust) or Wayne, or, where permitted by applicable law, a direct action against a Non-Settling Insurer (in the case of such action or direct action, a "**Claimant Action**"), in the tort system to obtain the benefit of the Asbestos Insurance Coverage of any Non-Settling Insurer.

(a) In addition, on the Effective Date, holders of Channeled Asbestos Claims may, only to the extent permitted or provided under applicable nonbankruptcy law, bring Claimant Actions against a Non-Settling Insurer of the Debtor or Wayne with respect to potential liability of the following former directors and officers of the Debtor or Wayne: Albert Arendt Hopeman, Jr., Bertram C. Hopeman, Charles Johnson, and Kenneth Wood (each, a "**Designated Person**"). For the avoidance of doubt, each Designated Person will not be named as defendants in any such Claimant Actions.

(b) In any such Claimant Action, holders of Channeled Asbestos Claims shall not name any Released Party as a defendant, or promptly shall dismiss from such Claimant Action any Released Party previously named as a defendant. The Trust shall indemnify any Released Party to the extent such Released Party is named as a defendant in a Claimant Action and the Trust shall take all steps reasonably necessary to have any Released Party named in a Claimant Action dismissed from such Claimant Action, including, without limitation, seeking relief from the Bankruptcy Court to enforce the terms of the Plan.

¹ For purposes of clarity, the Debtor will take all steps reasonably necessary to hand over its books and records to the Trust and assign whatever claims it owns. After the Effective Date, however, the Trust will own everything, including the Reorganized Debtor.

² See *supra* note 1.

2. If the holder of a Channeled Asbestos Claim commences a Claimant Action, only to the extent permitted or provided under applicable nonbankruptcy law, the complaint may name the Reorganized Debtor (and/or, if deemed an indispensable party, the Trust) or Wayne as a defendant and shall be deemed by operation of law to be an action against the Reorganized Debtor or Wayne; *provided, however*, that the Reorganized Debtor, the Trust, and Wayne shall have no obligation to answer, appear, or otherwise participate in the action in any respect other than as set forth in this 524(g) Term Sheet and as may be necessary to maintain coverage under the Asbestos Insurance Policies; and any judgment that may be obtained in a Claimant Action cannot be enforced against the assets of the Reorganized Debtor, the Trust, or Wayne other than from the Asbestos Insurance Coverage.

3. Claimant Actions may, only to the extent permitted or provided under applicable nonbankruptcy law, be filed in any court where the Debtor, Wayne, or any Designated Person would have been subject to *in personam* jurisdiction as of the petition date, and process may be served on the relevant agent appointed by the Trust for the purpose of receiving service of process. The Trust or Reorganized Debtor shall send notice of the Claimant Actions to the applicable or relevant Non-Settling Insurer and, if appropriate, to any other Asbestos Insurer in compliance with the notice provisions of the applicable Asbestos Insurance Policies. Nothing in this Section is intended to affect any cause of action or right to bring a cause of action held by any holder of a Channeled Asbestos Claim directly against any Non-Settling Insurer.

4. The Plan shall include mechanisms whereby Asbestos Insurance Policy Claims (e.g., “bad faith” claims) may be assigned by the Reorganized Debtor or the Trust to Channeled Asbestos Claimants.

5. Unless the Plan provides otherwise, the sole and exclusive source of payment or recovery from the Trust of a Channeled Asbestos Claimant on account of the Channeled Asbestos Claimant’s Channeled Asbestos Claim shall be the Asbestos Insurance Assets applicable to such Channeled Asbestos Claim unless the Channeled Asbestos Claim (a) is an Uninsured Asbestos Claim, or (b) becomes an Uninsured Asbestos Claim before the Channeled Asbestos Claimant receives payment in full of any judgment obtained against the Reorganized Debtor or any settlement entered into under procedures to be specified in the Plan.

6. Notwithstanding any provision of the Plan or this 524(g) Term Sheet to the contrary, a Channeled Asbestos Claimant will not be entitled to receive a payment or distribution on account of the Channeled Asbestos Claimant’s Channeled Asbestos Claim from the Trust unless and until the Channeled Asbestos Claimant’s Channeled Asbestos Claim is eligible for payment or distribution from the Trust under the applicable trust distribution procedures approved as part of the Plan.

7. Notwithstanding any provision of this 524(g) Term Sheet to the contrary, under the Option A trust structure, Option B trust structure, or a hybrid of the Options A and B trust structures (as set forth in Exhibit A attached hereto) on and after the Effective Date, HII may, (i) to the extent it is the holder of one or more Asbestos Indirect Claims and (ii) only to the extent permitted or provided under applicable nonbankruptcy law, file claims, cross-claims, or third party demands in the tort system (including in any state court lawsuits) against the Reorganized Debtor

(and/or, if deemed an indispensable party, the Trust), and/or Wayne, or pursue direct actions against any Non-Settling Insurer of the Debtor or Wayne, including, without limitation, to bring Claimant Actions against the Non-Settling Insurer of the Debtor and/or Wayne with respect to potential liability of any Designated Person. For the avoidance of doubt, such Designated Persons will not be named as defendants in any such Claimant Actions. However, it is understood that under such circumstances: (i) the Reorganized Debtor, the Trust, and Wayne shall have no obligation to answer, reply, appear, or otherwise participate in any action in which HII has filed such a claim, cross-claim, or third party demand or in any such direct action, in any respect other than as set forth in this 524(g) Term Sheet and as may be necessary to maintain coverage under the Asbestos Insurance Policies; and (ii) any judgment that may be obtained in connection with such a claim, cross-claim, third party demand, or direct action cannot be enforced against the assets of the Reorganized Debtor or the Trust, other than from the Asbestos Insurance Coverage. Under the Option B trust structure or a hybrid of the Options A and B trust structures, to the extent that the Debtor's Asbestos Insurance Assets become subject to Asbestos Insurance Settlements and such Asbestos Insurance Assets are liquidated by the Trust, HII may submit Asbestos Indirect Claims to the Trust in accordance with the applicable trust distribution procedures. In the event of any discrepancy between this Section E.7 on the one hand and any other provision of this 524(g) Term Sheet on the other, this Section E.7 shall control. In addition, the Parties shall not propose a Plan or trust distribution procedures that alter HII's rights under this Section E.7.

8. Within three (3) business days following execution of this 524(g) Term Sheet, all parties that are signatories to this 524(g) Term Sheet and that noted appeals to the District Court of the *Order (I) Approving the Settlement Agreement and Release Between the Debtor and the Certain Settling Insurers; (II) Approving the Sale of Certain Insurance Policies; (III) Issuing an Injunction Pursuant to the Sale of Certain Insurance Policies; and (IV) Granting Related Relief* [Docket No. 442] ("**Sale Order**") shall dismiss such appeals, with prejudice, and consent to the consummation of the transactions set forth in the Sale Order and consent to use of the proceeds of the transactions as set forth in the Sale Order, including, without limitation, to satisfy the administrative expenses of the Debtor's bankruptcy estate pursuant to order(s) entered by the Bankruptcy Court.

9. Within three (3) business days following execution of this 524(g) Term Sheet, the Committee will dismiss its appeal of the *Second Interim Order Extending the Automatic Stay to Asbestos-Related Actions Against Non-Debtor Defendants* [Docket No. 245] ("**Stay Order**"). In addition, the Committee will not oppose a motion of the Debtor to extend the Stay Order through 6/30/2025.

F. Asbestos Channeling Injunction

1. The Plan shall be confirmed in accordance with 11 U.S.C. § 524(g). The Confirmation Order will permanently and forever stay, restrain, and enjoin any entity from taking any action under any legal or equitable theory for the purpose of directly or indirectly collecting, recovering, or receiving payment of, on, or with respect to any Channeled Asbestos Claim from any Protected Party. All Channeled Asbestos Claims shall be channeled to the Trust for resolution in accordance with the trust agreement and the trust distribution procedures approved as part of the Plan.

2. The Trust shall assume all liability for all Channeled Asbestos Claims. Neither the Trust's assumption of such liability nor anything else contained in this 524(g) Term Sheet shall (a) diminish or otherwise impair the duties or obligations of any Non-Settling Insurer under any Asbestos Insurance Policy or asbestos-related settlement agreement or coverage-in-place agreement, (b) relieve the Reorganized Debtor of any obligations that are necessary to maintain coverage under the Asbestos Insurance Policies,³ or (c) bar any action against the Reorganized Debtor as permitted by Section E of this 524(g) Term Sheet.

3. The Plan will provide that the Trust will protect, defend, indemnify, and hold harmless each Protected Party from and against any Channeled Asbestos Claim. The Trust shall have all defenses, crossclaims, offset, or recoupment rights, as well as rights of indemnification, contribution, subrogation, and similar rights, and any other rights regarding Channeled Asbestos Claims that the Debtor or any Protected Party has under applicable law. Nothing herein, however, shall prohibit any Released Party from seeking relief from the Bankruptcy Court to enforce the release of the Released Party contemplated by this 524(g) Term Sheet and to be approved as part of the Plan.

G. Defined Terms

As used in this 524(g) Term Sheet, capitalized terms have the meanings set forth below:

1. **"Affiliate"** means an "affiliate," as defined in 11 U.S.C. § 101(2).
2. **"Asbestos Claim"** means an Asbestos Personal Injury Claim or an Asbestos Indirect Claim.
3. **"Asbestos Indirect Claim"** means any "claim" (as defined in 11 U.S.C. § 101(5)) asserted by an entity that is not an Asbestos Insurer for contribution, reimbursement, indemnification, or subrogation, or any other indirect or derivative recovery, on account of or with respect to any Asbestos Personal Injury Claim.
4. **"Asbestos Insurance Assets"** means any and all of the Debtor's rights, title, privileges, interests, claims, demands, or entitlements to any proceeds, payments, initial or supplemental dividends, scheme payments, supplemental scheme payments, state guaranty fund payments, causes of action, and choses in action under, for, or related to the following: (a) the Asbestos Insurance Settlements; (b) the Asbestos Insurance Policies; or (c) the Asbestos Insurance Coverage. For the avoidance of doubt, the term "Asbestos Insurance Assets" includes all rights to coverage and insurance proceeds under the Asbestos Insurance Policies that are related to coverage for Asbestos Claims, together with all rights to insurance coverage and insurance proceeds related to Asbestos Claims under any prepetition settlement agreements, coverage-in-place agreements, or other agreements or stipulations, as well as the right, on behalf of the Debtor, to compromise with or grant a full release to one or more of the Asbestos Insurers of any such insurance rights,

³ For purposes of clarity, after the Effective Date, the Reorganized Debtor or the Trust, as applicable, will be the parties needing to take actions to maintain coverage post-Effective Date.

whether under any such policy, agreement, or stipulation.

5. **“Asbestos Insurance Coverage”** means all rights, title, privileges, interests, claims, demands, benefits, or entitlements to proceeds, payments, indemnity, or reimbursement under any Asbestos Insurance Policy relating to a Channeled Asbestos Claim.

6. **“Asbestos Insurance Policy”** means any insurance policy that provides or potentially provides for Asbestos Insurance Coverage; *provided, however*, that the term “Asbestos Insurance Policy” shall not include any rights or obligations under any insurance policy to the extent, but only to the extent, that such rights or obligations pertain solely to coverage for workers’ compensation claims.

7. **“Asbestos Insurance Policy Claim”** means any claim against an Asbestos Insurer based on, arising under, or attributable to any Asbestos Insurance Policy, including any claim (a) for declaratory relief, (b) for “bad faith,” extra-contractual, or tort liability, (c) under section 11580 of the California Insurance Code (including any of its subdivisions) or any related or similar statute in any jurisdiction, (d) for Asbestos Insurance Coverage, damages, or equitable relief attributable to any Asbestos Insurance Policy, or (e) for contribution, reimbursement, indemnification, or subrogation based on, arising from, or attributable to any Asbestos Insurance Policy.

8. **“Asbestos Insurance Settlement”** means (a) the Settlement Agreement and Release between the Debtor and the Certain Settling Insurers, which was approved by the Bankruptcy Court by order dated December 19, 2024 [Docket No. 442]; (b) each agreement that, prior to the Effective Date, has been entered into by an Asbestos Insurer and the Debtor with consent of the Committee and approved by final order of the Bankruptcy Court after notice and a hearing; or (c) each agreement (i) that an Asbestos Insurer and the Trust have entered into on or after the Effective Date, (ii) that the TAC and the FCR have consented to and determined in writing to be sufficiently comprehensive to warrant that such Asbestos Insurer receive the protections of a Settling Insurer under § 524(g) of the Bankruptcy Code, and (iii) that is subsequently approved by final order of the Bankruptcy Court after notice and a hearing.

9. **“Asbestos Personal Injury Claim”** means any “claim” (as defined in 11 U.S.C. § 101(5)) or allegation or portion thereof against, or any debt, liability, or obligation of, the Debtor, whether now existing or hereafter arising, whether in the nature of or sounding in tort, or under contract, warranty, or any other theory of law, equity, or admiralty for, arising out of, resulting from, or attributable to, directly or indirectly, death, bodily injury, sickness, disease, or any other actual or alleged personal injury, physical, emotional, or otherwise, to persons, caused or allegedly caused, directly or indirectly, by the presence of, or exposure to, asbestos, including asbestos-containing products or materials engineered, designed, marketed, manufactured, fabricated, constructed, sold, supplied, produced, installed, maintained, serviced, specified, selected, repaired, removed, replaced, released, distributed, or in any other way used by the Debtor or any other entity for whose products or operations the Debtor has liability or is alleged to have liability, but only to the extent arising, directly or indirectly, from acts, omissions, business, or operations of the Debtor (including the acts, omissions, business, or operations of any other entity for whose products or operations the Debtor has liability, but only to the extent of the Debtor’s liability for such acts,

omissions, business, or operations), including all related claims, debts, obligations, or liabilities (such as any claim or demand for compensatory damages; loss of consortium; medical monitoring; wrongful death; survivorship; proximate, consequential, general, special, or punitive damages).

10. **“Causes of Action”** is intended to be read as broadly as possible. Causes of Action includes, but is not limited to, any claims, causes of action (including avoidance actions under the Bankruptcy Code or applicable state law), demands, actions, suits, obligations, liabilities, cross-claims, counterclaims, defenses, offsets, or set offs of any kind or character whatsoever, in each case whether known or unknown, contingent or noncontingent, matured or unmatched, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, under statute, in contract, in tort, in law, or in equity, or pursuant to any other theory of law, federal or state, whether asserted or assertable directly or derivatively in law or equity or otherwise by way of claim, counterclaim, cross-claim, third party action, action for indemnity, contribution, or otherwise.

11. **“Channeled Asbestos Claimants”** means the claimants holding Channeled Asbestos Claims.

12. **“Channeled Asbestos Claims”** means, collectively, the Asbestos Claims and Demands. For the avoidance of doubt, Channeled Asbestos Claims include, but are not limited to, prepetition claims.

13. **“Demand”** means a “demand,” as defined in 11 U.S.C. § 524(g)(5), against the Debtor.

14. **“Non-Settling Insurer”** means any Asbestos Insurer that is not a Settling Insurer. For the avoidance of doubt, notwithstanding any provision herein to the contrary, the term “Non-Settling Insurer” shall include Liberty Mutual Insurance Company.

15. **“Protected Party”** shall mean each of the following persons or entities (collectively referred to herein as **“Protected Parties”**):

- (a) the Debtor or the Reorganized Debtor;
- (b) current and former directors, officers, or employees of the Debtor, or any past or present Affiliate of the Debtor, solely in their respective capacities as such; or
- (c) any Settling Insurer, solely in its capacity as such.

16. **“Released Parties”** means current and former directors, officers, or employees of the Debtor, or any past or present Affiliate of the Debtor, except Wayne, solely in their respective capacities as such.

17. **“Reorganized Debtor”** means the Debtor on and after the Effective Date.

18. “**Settling Insurer**” means any Asbestos Insurer that has entered into an Asbestos Insurance Settlement.

19. “**Uninsured Asbestos Claim**” means a Channeled Asbestos Claims (a) with a date of first exposure to asbestos or asbestos-containing products or things falling after January 1, 1985, or (b) for which no coverage under any Asbestos Insurance Policy is available due to settlement (including an Asbestos Insurance Settlement), exhaustion, or a final and non-appealable ruling on a coverage issue or defense.

20. “**Wayne**” means Wayne Manufacturing Corporation and its predecessors.

H. Cooperation, Confidentiality, and Settlement

1. The Parties shall use their commercially reasonable best efforts to obtain confirmation and consummation of the Plan consistent with the terms described above, and to not directly or indirectly support efforts by other parties to hinder, delay, or oppose prompt confirmation of the Plan.

2. The Parties shall treat all negotiations regarding this 524(g) Term Sheet as confidential. Without the prior written consent of all the Parties and until such time as the 524(g) Term Sheet is publicly disclosed as provided herein or below, neither the contents nor the existence of this 524(g) Term Sheet shall be disclosed by any Party, either orally or in writing, except to each Party’s members, directors, officers, employees, legal counsel, financial advisors, accountants, and clients on a confidential basis, or except (a) when necessary to apprise and engage in discussions with the FCR appointed in the Debtor’s bankruptcy case and the professionals employed by the FCR with the Bankruptcy Court’s approval; (b) when necessary to comply with court orders; or (c) in an action to enforce the terms and provisions of the 524(g) Term Sheet itself.

3. Further, without the prior written consent of all the Parties, the contents of any documents contemplated hereby shall not be disclosed by any Party, either orally or in writing, except to each Party’s members, directors, officers, employees, legal counsel, financial advisors, accountants, and clients on a confidential basis, or except (a) when necessary to apprise and engage in discussions with the FCR appointed in the Debtor’s bankruptcy case and the professionals employed by the FCR with the Bankruptcy Court’s approval; (b) when necessary to comply with court orders; or (c) when required to commence or proceed with approval and consummation of the settlement in the Bankruptcy Court or the District Court. The contents of these documents shall be used solely for the purpose of consummating the settlement contemplated hereunder. Any members, directors, officers, employees, legal counsel, financial advisors, accountants, and clients receiving the information shall similarly maintain the confidentiality of the contents of any documents contemplated hereby upon the same terms and use these contents solely for the purpose of consummating the settlement contemplated hereunder.

4. Neither this 524(g) Term Sheet nor the settlement set forth herein constitutes, and shall not be construed, interpreted, or otherwise read to constitute any admission by the Parties.

5. The rules of construction set forth in 11 U.S.C. § 102 shall govern the interpretation

or construction of this 524(g) Term Sheet (except that, in addition to § 102(7), the plural includes the singular), and the laws of the Commonwealth of Virginia shall govern such interpretation or construction in all other respects.

6. This 524(g) Term Sheet may be amended only by written agreement executed by all of the Parties and HII.

7. This 524(g) Term Sheet may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

I. Termination of the 524(g) Term Sheet

1. This 524(g) Term Sheet may be terminated at any time by the written agreement of all of the Parties and HII.

2. Unless all the Parties consent in writing to extend such date (and such consent shall not be unreasonably withheld), this 524(g) Term Sheet shall terminate if the Plan is not filed within 30 days of receipt by the Committee of a proposed draft of the Plan. The Parties shall use their best efforts to cooperate in finalizing the Plan so that it can be filed by that date or, if reasonably possible, sooner.

3. This 524(g) Term Sheet shall terminate upon an order denying confirmation of the form of Plan contemplated by this 524(g) Term Sheet becoming final and non-appealable.

4. Upon termination under Section I.1, Section I.2, or Section I.3 above, the 524(g) Term Sheet shall be of no further force and effect.

J. Execution Date

This 524(g) Term Sheet is executed as of March 7, 2025.

[Remainder of page intentionally left blank]

AGREED AND ACCEPTED BY:

HOPEMAN BROTHERS, INC.

By: /s/ Tyler P. Brown

Name: Tyler P. Brown

Title: Counsel to the Debtor

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: /s/ Jeffrey Liesemer

Name: Jeffrey Liesemer

Title: Counsel to the Committee

HUNTINGTON INGALLS INDUSTRIES, INC.

By: /s/ K. Elizabeth Sieg

Name: K. Elizabeth Sieg

Title: Counsel to HII

EXHIBIT A TO 524(g) TERM SHEET

524(g) Trust Structure

<u>Trust Structure</u>
<p><u>Trustee</u></p> <ul style="list-style-type: none">• Single Trustee<ul style="list-style-type: none">○ 3-year renewable terms until age 75, then 1-year renewable terms until age 78○ Qualifications<ul style="list-style-type: none">• Experienced• Insurance Coverage Expertise• Experience w/ triple net lease/rental property or other type of investment contemplated by Plan• Trust Company
<p><u>Future Claimants' Representative</u></p> <ul style="list-style-type: none">• Consent rights for insurance resolution
<p><u>TAC</u></p> <ul style="list-style-type: none">• Comprised of 3-5 Committee Member firms• Consent rights for insurance resolution
<p><u>Trust Administration</u></p> <ul style="list-style-type: none">• Auditing• Insurance (for the Trust)

Trust Structure

- Accounting
- Coverage Litigation
- Miscellaneous Trust functions
- MMSEA reporting
- *Real Estate Management (if applicable)*

For claims administration, see below.

Operating Business

- Reorganized Hopeman Brothers shall become a subsidiary of the Trust on the Effective Date of the Plan
- Prior to or on the Effective Date of the Plan, Hopeman Brothers, as the Debtor or the Reorganized Debtor, acquires a low-cost, income-generating business or an interest in such business

Trust Assets

- Insurance
- Cash
- Stock in Reorganized Debtor
- Promissory Note / Revenue from operating business/investment owned by Reorganized Debtor
- Document repository/records
- Estate Causes of Action

Trust Structure

Claims Processing (potential options)

Option A

- Tort claimants file complaints in the tort system, suing the Reorganized Debtor in name only. Complaint delivered to Non-Settling Insurers for defense/resolution and payment.
- Trust monitors insurance.

and/or Option B

- Insurance is liquidated by Trust.
- Tort claimants file claims with the Trust, which processes and resolves claims using Trust assets (i.e., liquidated insurance assets).
- Claimants pay a refundable filing fee (\$100).

EXHIBIT B TO 524(g) TERM SHEET

Exhibit B

- Christopher Lascell
- Blank Rome LLP
- Hunton Andrews Kurth LLP
- Courington, Kiefer, Sommers, Marullo & Matherne LLC
- Manning Gross & Massenburg LLP
- Tammie Moses
- Moses Tax and Accounting P.C.
- Deloris Wertman
- Sinars Slowikowski Tomaska LLC
- Special Claims Services, Inc.
- Barbara Ramsey
- Stout Risius Ross LLC
- Claro Group (acquired by Stout Risius Ross LLC)
- Dickstein Shapiro LLP
- Adler, Pollock & Sheehan, P.C.
- Darger, Errante, Yavitz & Blau LLP
- Gallivan, White & Boyd
- Goodell, DeVries Law Firm
- McGivney, Kluger & Gannon PC
- Manning Gross & Massenburg LLP
- Edlin Gallagher Huie & Blum
- Marshall Dennehey
- Segal McCambridge Singer & Mahoney

- Stuart F. Cohen
- Baron, Herskowitz and Cohen
- Edward B. McDonough, Jr., P.C.
- Just Trust Solutions
- Internal Revenue Service
- Edward W. Gabrielson, M.D.
- Barrister Digital Solutions, LLC
- Epiq eDiscovery Solutions Inc.
- JM Posner, Inc.
- NorthStar Litigation Technologies
- TSG Reporting