

AGREEMENT

THIS AGREEMENT, made as of this 17th day of January, 1991, by and between North American Refractories Company ("NARCO"), an Ohio corporation, Allied-Signal Inc. ("Allied-Signal"), a Delaware corporation, and Allied-Signal Canada Inc. ("AST"), a Canadian corporation.

WITNESSETH:

WHEREAS, by Agreement, dated as of October 25, 1985, Allied Corporation, Allied Canada Inc. and NARCO Investors Inc., the predecessors of Allied-Signal, ASI (with respect to said Agreement) and NARCO agreed to the purchase and sale of certain assets, and the assumption and exclusion of certain liabilities, relative to the North American Refractories Company Division of Allied Corporation and Allied Canada Inc. (which Agreement shall hereinafter be referred to as the "Purchase Agreement"); and

WHEREAS, disputes have arisen and there is a difference of opinion by and among the parties with respect to the interpretation of certain terms of the Purchase Agreement as it relates to Discontinued Products (as defined in the Purchase Agreement) and indemnification, as provided in Article X of the Purchase Agreement; and

WHEREAS, the parties hereto wish to set forth, by this Agreement, a mechanism by which Third Party Claims (as hereinafter defined) are to be handled from and after January 17, 1991, notwithstanding the differing interpretations by the parties of the Purchase Agreement, and in effort to avoid further controversy, and possibly, litigation on the issue.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration as set forth herein, the parties hereto agree as follows:

1. DEFINITIONS

- A) "Third Party Claims" shall mean those lawsuits filed on or after the Transition Date (as hereinafter defined) by or on behalf of an individual who is not or was not an employee (or related to an employee) of the parties hereto, or their predecessors in interest, and which relates to, either as provided in the complaint or as ultimately determined in the lawsuit.

exposure to asbestos and/or silica products. "Third Party Claims" shall not include lawsuits filed after the Transition Date which relate solely to exposure to benzene, tar, pitch, or to materials other than asbestos and/or silica and which are alleged to be toxic, hazardous or otherwise injurious to health. "Third Party Claims" shall also not include lawsuits filed on or after the Transition Date which are determined, under the provisions of Paragraph 3 below, to be the responsibility of Allied.

- B) "Transition Date" shall mean January 17, 1991.
- C) "Administrative Services" shall include, but not necessarily be limited to, the following: receipt from NARCO of copies Third Party Claims served on it, copying all pertinent documents, transferring to outside counsel, monitoring outside counsel, determining budgets for outside counsel, reviewing outside counsel fees and disbursements, controlling and directing defense strategy, monitoring answer, deposition, interrogatory and document production dates and requests, and trial dates, producing and coordinating witnesses, affidavits, document production/interrogatory answers, ensuring periodic reporting to the parties hereto and/or their insurance carriers, and settlement or trial decisions.

2. RESPONSIBILITIES OF THE PARTIES

A) Responsibilities of NARCO

- 1) In exchange for Allied-Signal's performance of Administrative Services, NARCO shall pay to Allied-Signal the following sums during the referenced periods of time:

1/18/91 - 1/17/92	\$50,000
1/18/92 - 1/17/93	\$25,000
1/17/93 - 1/17/94	\$. 0 -

Payments of such contributions shall be made by NARCO to Allied-Signal on a quarterly basis, beginning April 17, 1991.

- 2) It shall also be the responsibility of NARCO to pay a percentage of any and all costs, expenses, attorneys fees and settlements or judgments which may be attributed or relate to any and all Third Party Claims filed on or after the Transition Date, in accordance with the following schedule:

1/18/91 - 1/17/92	40%
1/18/92 - 1/17/93	45%
After 1/17/93	50%

NARCO shall instruct outside counsel retained to handle Third Party Claims filed on or after the Transition Date, to divide their statements for services according to the foregoing schedule.

- 3) NARCO shall assume full responsibility for performance of Administrative Services on January 17, 1994.

B) Responsibilities of Allied-Signal

- 1) From and after the Transition Date, Allied-Signal shall provide Administrative Services for Third Party Claims, until the earlier of 1) the termination of this Agreement, or 2) the third anniversary of the Transition Date at which time NARCO shall assume responsibility for providing such services as provided herein. Neither the definition of Administrative Services nor the providing of same by Allied-Signal shall be intended to prevent or limit NARCO's or Allied-Signal's participation in providing services relating to same, nor in being consulted in cases of decisions relating to defense strategy, settlement or trial.
- 2) It shall also be the responsibility of Allied-Signal to pay a percentage of any and all costs, expenses, attorneys fees and settlements or judgments which may be attributed or relate to any and all Third Party Claims filed on or after the Transition Date, according to the following schedule:

1/18/91 - 1/17/92	60%
1/18/92 - 1/17/93	55%
After 1/17/93	50%

Allied-Signal shall instruct outside counsel retained to handle Third Party Claims filed after the Transition Date to divide their statements according to the foregoing schedule.

3. EXCEPTION TO THIRD PARTY CLAIMS

If, during the course of the defense of Third Party Claims, it is clearly determined that the alleged or proven injury, has been caused by an asbestos-containing product sold by NARCO (then a division of Allied-Signal) prior to January 17, 1986 and not sold after such date, Allied shall, from and after the point of such determination, pay one hundred percent (100%) of all costs, expenses, attorneys fees, settlements or judgments related to or arising out of such matter. Allied-Signal may, at its option, from and after such time, provide full Administrative Services with respect to such matter, without need to consult with NARCO in cases of decisions relating to defense strategy, settlement or trial.

4. ADMINISTRATION OF THIS AGREEMENT

The parties hereto agree that, during the course of implementing this Agreement, there may be special situations relating to the management of claims that require adjustment or further accommodation of the responsibilities set forth in Paragraph 2 above. The parties, in such event, shall negotiate in good faith to make the adjustments or accommodations as may be necessary. Unless notice to the contrary is otherwise provided by one party to the other in writing, each party shall assume that the other party is satisfactorily performing its obligations as set forth in this Agreement.

5. DURATION OF AGREEMENT

This Agreement shall continue in effect until terminated by either party with six (6) months prior written notice. Any Third Party Claims filed during the six (6) month notice period shall be handled in accordance with the terms of this Agreement. Notwithstanding any termination of this Agreement, the parties shall continue to honor their respective responsibilities under the terms of this Agreement with respect to Third Party Claims.

filed and pending during the term hereof, and with respect to those claims filed prior to the Transition Date which are being handled by Allied-Signal under the Purchase Agreement.

6. EFFECT ON PURCHASE AGREEMENT

This Agreement shall constitute an amendment of the Purchase Agreement with respect to the subject matter hereof. However, in the event of the termination of this Agreement as provided for herein, neither party shall use this Agreement in any manner whatsoever with respect to any disputes that may arise with respect to the Purchase Agreement.

7. AMENDMENTS

This Agreement may be amended by the mutual written consent of the parties hereto upon such terms as are provided in such amendment.

8. CONFIDENTIALITY

The terms of this Agreement shall remain confidential between the parties hereto and shall not be disclosed by any of the parties, nor be provided as part of discovery unless pursuant to court order in connection with Third Party Claims. The foregoing notwithstanding, the parties hereto may disclose the terms hereof to their respective insurance brokers/carriers and outside auditors.

IN WITNESS WHEREOF, the parties hereto have set their hands, by their duly authorized representative, as of the date first above written.

NORTH AMERICAN REFRACTORIES COMPANY

By: Jay S. Eule

ALLIED-SIGNAL INC.

By: Robert Lee

ALLIED-SIGNAL CANADA INC.

By: Robert Lee