

**DOW CORNING SETTLEMENT OPTION
REGARDING
THE VOLUNTARY AUSTRALIAN SUBCLASS**

This Settlement Option (“Settlement Option” or “Agreement”), as defined below, is the final settlement agreement made by and between Certain Australian Claimants, as defined below, Certain Australian Counsel, as defined below, on their own behalf and in their capacity as legal representatives of Certain Australian Claimants, and Dow Corning Corporation, Dow Corning Wright, Dow Corning Australia Pty. Ltd., Dow Corning New Zealand, Ltd., and their predecessors, successors, subsidiaries and assigns (collectively referred to herein as “Dow Corning”), providing for the settlement of the Dow Corning Breast Implant Claims and Dow Corning Raw Material Breast Implant Claims, both as defined below, of Certain Australian Claimants, other Australian Dow Corning Breast Implant Users and Australian POC Raw Material Breast Implant Claimants, both as defined below, subject to the effectiveness of the Confirmed Plan of Reorganization, as defined below. (For purposes of this Agreement, any term used herein in an initially capitalized form shall have the defined meaning ascribed to it in this Agreement.)

WHEREAS, Certain Australian Counsel collectively represent approximately half of all POC DCC Breast Implant Users, as defined below;

WHEREAS, Dow Corning has conducted settlement negotiations with Certain Australian Counsel regarding the settlement of Dow Corning Breast Implant Claims and Dow Corning Raw Material Breast Implant Claims and has resolved to extend this Settlement Option to each Australian Dow Corning Breast Implant User and each Australian POC Raw Material Breast Implant Claimant, both as defined below, who registers to participate in the Voluntary Australian Subclass, as defined below, rather than pursuing her rights as a Foreign Claimant in Class 6.1 of the Confirmed Plan of Reorganization, all as defined below, and rather than seeking to pursue any other rights to compensation in respect of Dow Corning Breast Implant Claims or Dow Corning Raw Material Breast Implant Claims;

WHEREAS, Dow Corning has submitted to the U.S. Bankruptcy Court, as defined below, a proposed Amended Joint Plan of Reorganization, as defined below, that provides for a separate Voluntary Australian Subclass, whose treatment under the Confirmed Plan of Reorganization shall be subject to the effectiveness of the Confirmed Plan of Reorganization, as set forth in this Agreement;

WHEREAS, Dow Corning, notwithstanding its offer of this Settlement Option, has denied and continues to deny Dow Corning Breast Implant Claims and Dow Corning Raw Material Breast Implant Claims of Certain Australian Claimants and claims of other plaintiffs in other actions in Australia and other jurisdictions, and has denied and continues to deny any wrongdoing or liability of any kind and in any place with respect to Dow Corning Breast Implant Claims and Dow Corning Raw Material Breast Implant Claims and has raised and/or intends to continue to raise numerous defenses;

WHEREAS, based upon an analysis of the facts and the law applicable to Australian Dow Corning Breast Implant Users and Australian POC Raw Material Breast Implant Claimants, and taking into account, among other things, the extensive burden and expense of litigation, including the risks and uncertainties associated with protracted trials and appeals, as well as the fair, cost-effective and assured method of resolving claims as provided in this Settlement Option, and the benefits to be provided to members of the Voluntary Australian Subclass in the Confirmed Plan of Reorganization, Certain Australian Claimants and Certain Australian Counsel have concluded that this Settlement Option provides substantial benefits to Australian Dow Corning Breast Implant Users and Australian POC Raw Material Breast Implant Claimants and is fair, reasonable and in the best interests of Australian Dow Corning Breast Implant Users and Australian POC Raw Material Breast Implant Claimants;

WHEREAS, Dow Corning has similarly concluded that this Settlement Option is beneficial in order to avoid the time, risk and expense of defending multiple and protracted litigation, and to resolve finally and completely the pending and potential claims of the Certain Australian Claimants and the other members of the Voluntary Australian Subclass;

WHEREAS, the Parties intend that this “Dow Corning Settlement Option Regarding the Voluntary Australian Subclass” resolve all present and future claims, known or unknown, of the Certain Australian Claimants and the other members of the Voluntary Australian Subclass arising out of or relating in any way, directly or indirectly, to Dow Corning Breast Implants or Dow Corning Breast Implant Raw Materials, both as defined below;

WHEREAS, a number of Dow Corning Breast Implant Claims by Certain Australian Claimants are pending as litigation matters in *Maria Smith v. Dow Corning Australia Pty. Ltd. & Ors.*, Case No. 7067 of 1994 before Mr. Justice Beach in the Supreme Court of Victoria at Melbourne, and whereas the Supreme Court of Victoria will provide supervision and oversight of certain aspects of the administration of this Settlement Option, including approval of attorneys’ fees and costs related to the Settlement Option as provided herein, approval of the appointment of entities who are required to implement the Settlement Option, receipt of periodic reports from the Claims Administrator and resolution of disputes as to the administration of the Settlement Option;

WHEREAS, Certain Australian Counsel and Dow Corning are pursuing negotiations with the Health Insurance Commission of Australia (defined below as “HIC”) to resolve all liabilities or potential liabilities to HIC of the members of the Voluntary Australian Subclass arising out of or related to either or both Dow Corning Breast Implants and Dow Corning Breast Implant Raw Materials and to receive a release of such liabilities or potential liabilities from HIC in a form acceptable to Dow Corning and any affected insurer of Dow Corning; and

WHEREAS, the Parties, as defined below, believe it is desirable to establish a mechanism for administration in Australia of the claims of the members of the Voluntary Australian Subclass made pursuant to this Settlement Option;

NOW THEREFORE, subject to the effectiveness of the Confirmed Plan of Reorganization, this Settlement Option embodies the terms of the resolution of claims against Dow Corning brought by Certain Australian Claimants and other members of the Voluntary Australian Subclass and/or their representatives or family members, including future claims, known or unknown, arising out of or relating in any way, directly or indirectly, to Dow Corning Breast Implants or Dow

Corning Breast Implant Raw Materials, and in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, Dow Corning, Certain Australian Claimants and Certain Australian Counsel agree as follows:

AGREEMENTS

1. DEFINITIONS

As used in this Agreement, including all Exhibits attached hereto, or internally in the definitions hereinafter set forth, the following defined terms have the following meanings. Where the context so indicates or requires, each defined term stated in the singular includes the plural, and each defined term stated in the plural includes the singular. Where the context so indicates or requires, feminine pronouns and female references include the masculine, and masculine pronouns and male references include the feminine.

- 1.1. “Advanced Claim”** means a claim under this Settlement Option held by a member of the Voluntary Australian Subclass who is a POC DCC Breast Implant User, as defined below, who filed a lawsuit other than as a member of a class action against Dow Corning Corporation in a state court of any state of the United States before May 15, 1995, and whose claim as of that date, (i) remained within, or had been returned to, the jurisdiction of the court of that state, (ii) was not bound by the decision of U.S. District Court Judge Sam Pointer in *In re Silicone Gel Breast Implant Products Liability Litigation*, Case No. CV 92-P-10000-S (N.D. Ala. Apr. 25, 1995), and (iii) was not within the jurisdiction of a court in a state having *forum non conveniens* law that would lead to the dismissal of such a claim. (Provided, however, that this distinction is agreed to solely for the purposes of the Voluntary Australian Subclass. Nothing in this Settlement Option shall constitute or be construed as a waiver by Dow Corning of the position, or of facts supporting the position, as affirmed by Judge Sam Pointer, that U.S. federal law, rather than state law, governs the issue of *forum non conveniens* dismissals of state cases properly removed to a federal court of the United States. Nothing in this paragraph shall constitute or be construed to constitute a waiver by Dow Corning of its rights to assert or argue that such claims should be removed to a U.S. court of federal jurisdiction. Nothing in this paragraph shall constitute or be construed to constitute a waiver by Dow Corning of its rights to assert any arguments regarding the applicability of choice of law rules. This provision is not an admission by Dow Corning of any fact or position of law and the Parties will not use it in another case as an admission by Dow Corning or in any way to support an adverse position.) (A person who makes such an Advanced Claim pursuant to this Settlement Option shall be referenced to herein as an **“Advanced Claimant.”**)
- 1.2. “Advanced Claimant Documentation”** means “Advanced Claimant Documentation” as that term is defined in Subparagraph IV.D.2 of Exhibit B hereto.
- 1.3. “Agreement”** means this final settlement agreement titled the “Dow Corning Settlement Option Regarding the Voluntary Australian Subclass,” made by and

between the Parties, including the preceding recitals and the Exhibits, attached hereto, which are as follows:

Medical Conditions List

Claims Administration Procedures

Exhibit C: C-1: Claim Form

C-2: Solicitor's Certificate of Independent Legal Advice

C-3: Affidavit of Unrepresented Settling Australian Claimant

Exhibit D: D-1: Deed of Release and Indemnification of Dow Corning and the Released Parties

D-2: Release of Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members

Exhibit E: Supreme Court of Victoria Legal Costs Scale

- 1.4. “Amended Joint Plan of Reorganization”** means the proposed “Amended Joint Plan of Reorganization,” the original form of which was filed with the U.S. Bankruptcy Court by Dow Corning, among other parties, in February 1999, and that provides for a separate Voluntary Australian Subclass of claimants whose claims will be administered and paid in accordance with this Settlement Option.
- 1.5. “Approved Australian Claimant”** means a member of the Voluntary Australian Subclass whose claim made pursuant to this Settlement Option has been approved for payment in accordance with the provisions and procedures set forth in this Settlement Option, including Exhibit B attached hereto. “Approved Australian Claimants” include Approved POC DCC Breast Implant Users, Approved Non-POC DCC Breast Implant Users and Approved POC Raw Material Claimants, all as defined below.
- 1.6. “Approved Non-POC DCC Breast Implant User”** means a Non-POC DCC Breast Implant User whose Non-POC DCC Breast Implant User Claim has been approved for payment in accordance with the provisions and procedures set forth in this Settlement Option, including Exhibit B attached hereto.
- 1.7. “Approved POC DCC Breast Implant User”** means a POC DCC Breast Implant User whose POC DCC Breast Implant User Claim has been approved for payment in accordance with the provisions and procedures set forth in this Settlement Option, including Exhibit B attached hereto.
- 1.8. “Approved POC Raw Material Claimant”** means a POC Raw Material Claimant whose POC Raw Material Claim has been approved for payment in accordance with the provisions and procedures set forth in this Settlement Option, including Exhibit B attached hereto.
- 1.9. “Australia”** means the Commonwealth of Australia.
- 1.10. “Australian Dow Corning Breast Implant User”** means a “Breast Implant User,” as defined in the Confirmed Plan of Reorganization, who is, or at the time of her death was, a citizen or permanent resident of Australia and/or had her Dow Corning Breast Implant(s) implanted in Australia. “Australian Dow Corning Breast Implant User”

does not include any person who, pursuant to means other than this Settlement Option, (i) has accepted or accepts compensation from Dow Corning and/or the Released Parties, as defined below, with respect to any Dow Corning Breast Implant Claim other than under the Dow Corning Breast Implant Removal Assistance Program, as defined below, (ii) has released, by settlement, judgment, court order or otherwise, Dow Corning and/or the Released Parties with respect to any Dow Corning Breast Implant Claim, or (iii) has had dismissed with prejudice any action against Dow Corning and/or the Released Parties with respect to any Dow Corning Breast Implant Claim.

- 1.11. “Australian POC DCC Breast Implant User”** means an Australian Dow Corning Breast Implant User who filed a Proof of Claim, as defined below.
- 1.12. “Australian POC Raw Material Breast Implant Claimant”** means any person who (1) is or was a Non-Dow Corning Breast Implant User, (2) is a citizen or permanent resident of Australia and/or had her Non-Dow Corning Breast Implants implanted in Australia, (3) filed a Proof of Claim regarding a Dow Corning Breast Implant Raw Material Claim, and (4) has not received compensation related to her Non-Dow Corning Breast Implant(s) from the manufacturer of such Non-Dow Corning Breast Implant(s) except compensation received pursuant to the Mentor, Biplasty or Inamed class action settlements. “Australian Raw Material Breast Implant Claimant” does not include any person who, pursuant to means other than this Settlement Option, (i) has accepted or accepts compensation from Dow Corning and/or the Released Parties with respect to any Dow Corning Raw Material Breast Implant Claim, (ii) has released, by settlement, judgment, court order or otherwise, Dow Corning and/or the Released Parties with respect to any Dow Corning Raw Material Breast Implant Claim, or (iii) has had dismissed with prejudice any action against Dow Corning and/or the Released Parties with respect to any Dow Corning Raw Material Breast Implant Claim.
- 1.13. “Base Settlement Amount”** means the “Base Settlement Amount” as that term is defined in Subparagraph 5.1(i), below.
- 1.14. “Ballot Form”** means the “Ballot Form” to be provided with the Disclosure Statement, as defined below, and which will be the form used to register to participate in this Settlement Option.
- 1.15. “Certain Australian Claimants”** means those Australian Dow Corning Breast Implant Users and Australian POC Raw Material Breast Implant Claimants who are represented by Certain Australian Counsel as of the date this Settlement Option is executed by Certain Australian Counsel and whose names are included on the lists sent by Slater & Gordon and Reilly Basheer Downs & Humphries to Dow Corning on January 28, 1999.
- 1.16. “Certain Australian Counsel”** means Slater & Gordon and Reilly Basheer Downs & Humphries, as defined below. (Nothing in this Agreement shall preclude Certain Australian Counsel from representing or acting on an individual basis on behalf of any individual member of the Voluntary Australian Subclass for the purpose of preparing

and submitting an individual claim under this Settlement Option and entering into and/or enforcing a separate fee agreement for that purpose.)

- 1.17. **“Claim and Documentation Deadline”** means the date one hundred twenty (120) days after the Effective Date, as defined below.
- 1.18. **“Claim Form”** means the form attached as Exhibit C-1 hereto or a form otherwise mutually acceptable to the Parties.
- 1.19. **“Claims Administration Procedures”** means the document of that title attached as Exhibit B hereto.
- 1.20. **“Claims Administrator”** means the person or entity selected and appointed by the Trustee from a panel of candidates nominated by Dow Corning, Certain Australian Counsel or any member of the Voluntary Australian Subclass as provided in Paragraph 9.1, below, and any employees of such person or entity.
- 1.21. **“Claims Officers”** means the individuals appointed by the Claims Administrator as provided in Paragraph 9.2, below.
- 1.22. **“Claims Review Panel”** means the individuals selected and appointed by the Trustee from a panel of candidates nominated by Dow Corning, Certain Australian Counsel or any member of the Voluntary Australian Subclass as provided in Paragraph 9.3, below. (An individual member of the Claims Review Panel is referred to herein as a **“Claims Review Panel Member.”**)
- 1.23. **“Class 6.1”** means “Class 6.1” as that term is defined in the Confirmed Plan of Reorganization.
- 1.24. **“Compensation Ratios”** means ratios to be used by the Claims Administrator to calculate the compensation to be paid to Approved POC Dow Corning Breast Implant Users making claims under Categories 1 through 6 as set forth in Subparagraph 7.2(i), below.
- 1.25. **“Confirmed Plan of Reorganization”** means a plan of reorganization confirmed by the U.S. Bankruptcy Court that is substantially and in all material respects in conformance with the Amended Joint Plan of Reorganization.
- 1.26. **“Costs of Settlement and Administration Fund”** means the “Costs of Settlement and Administration Fund” as that term is defined in Subparagraph 8.7(ii), below.
- 1.27. **“Designated Medical Condition”** means any disease or medical condition defined by and included in the Medical Conditions List, attached as Exhibit A hereto.
- 1.28. **“Disclosure Statement”** means the “Disclosure Statement” of the Amended Joint Plan of Reorganization.

- 1.29. “Dow Corning”** means, collectively, Dow Corning Corporation, Dow Corning Wright, Dow Corning Australia Pty. Ltd., Dow Corning New Zealand, Ltd. and their predecessors, successors, subsidiaries and assigns.
- 1.30. “Dow Corning/Australia Settlement Trust”** means the “Dow Corning/Australia Settlement Trust” as described in Section 8, below, established under a trust deed made under the laws of the State of Victoria, Australia, that establishes a trust for the administration of the “Total Settlement Amount,” as defined in Subparagraph 5.1(ii), below, and for the processing of claims in accordance with the terms of this Settlement Option.
- 1.31. “Dow Corning/Australia Settlement Trust Deed”** means the deed establishing the Dow Corning/Australia Settlement Trust.
- 1.32. “Dow Corning Breast Implant”** means “Breast Implant,” as that term is defined in the Confirmed Plan of Reorganization.
- 1.33. “Dow Corning Breast Implant Claims”** means “Breast Implant Claims” as that term is defined in the Confirmed Plan of Reorganization.
- 1.34. “Dow Corning Breast Implant Raw Materials”** means raw materials manufactured, sold, distributed or otherwise placed into the stream of commerce by Dow Corning for use as a component of a breast implant identified as a Baxter, Bristol, Cox-Uphoff (CU), Mentor or Bioplasty Breast Implant as such implants are identified in Part III of Schedule I to Annex A to the Settlement Facility Agreement, as defined below, and that is or was a Non-Dow Corning breast implant.
- 1.35. “Dow Corning Breast Implant Removal Assistance Program”** means the program operated by Dow Corning Australia Pty. Ltd. from 1992 through 1996 that provided reimbursement for certain Dow Corning Breast Implant removal expenses, and for which participants were not required to release claims against Dow Corning.
- 1.36. “Dow Corning Raw Material Breast Implant Claims”** means “Raw Material Breast Implant Claims” as that term is defined in the Confirmed Plan of Reorganization.
- 1.37. “Dow Corning Settlement Facility”** means “Settlement Facility” as that term is defined in the Confirmed Plan of Reorganization, or such other entity that assumes the responsibilities of the “Settlement Facility” under the terms of the Confirmed Plan of Reorganization.
- 1.38. “Effective Date”** means “Effective Date” as that term is defined in the Confirmed Plan of Reorganization.
- 1.39. “Expedited Claim”** means a claim for compensation by a POC DCC Breast Implant User made on or before the Expedited Claim Deadline, as defined below, in accordance with the provisions and procedures set forth in this Settlement Option,

including Exhibit B hereto. (A person who makes such an Expedited Claim pursuant to this Settlement Option shall be referred to herein as an **“Expedited Claimant.”**)

- 1.40. **“Expedited Claim Deadline”** means the date ninety (90) days after the Effective Date.
- 1.41. **“Expedited Claim Payment Date”** means the date one hundred fifty (150) days after the Effective Date.
- 1.42. **“Explantation”** means “Explantation” as that term is defined in Paragraph III.C of Exhibit A hereto.
- 1.43. **“Foreign Claimant”** means a “Foreign” “Claimant” as those terms are defined in the Confirmed Plan of Reorganization.
- 1.44. **“HIC”** means the Health Insurance Commission of Australia.
- 1.45. **“Initial Mailing ”** means the package of materials that Dow Corning and/or the Claims Administrator shall mail to each member of the Voluntary Australian Subclass within thirty (30) days following the Effective Date and that shall contain: (a) notification that the Confirmed Plan of Reorganization has become effective by its terms, (b) instructions outlining the procedures for filing claims as a member of the Voluntary Australian Subclass, and (c) a Claim Form.
- 1.46. **“Initial Payment”** means the first scheduled partial payment of the Settlement Amount, as defined in Subparagraph 5.2(i), below.
- 1.47. **“Level I Proof ”** means “Level I Proof of Products Identification Documentation” as that term is defined in Subparagraph III.A.1 of Exhibit B hereto.
- 1.48. **“Level II Proof ”** means “Level II Proof of Products Identification Documentation” as that term is defined in Subparagraph III.A.2 of Exhibit B hereto.
- 1.49. **“Localized Injury”** means “Localized Injury” as that term is defined in Section III of Exhibit A hereto.
- 1.50. **“Localized Injury Documentation”** means “Localized Injury Documentation” as that term is defined in Paragraph III.C of Exhibit B hereto.
- 1.51. **“Maximum Settlement Amount”** means the “Maximum Settlement Amount” as that term is defined in Subparagraph 5.1(iii), below.
- 1.52. **“Medical Conditions Compensation Schedule”** means the schedule establishing the Compensation Ratios that is set forth in Subparagraph 7.2(i), below.
- 1.53. **“Medical Conditions Documentation”** means “Medical Conditions Documentation” as that term is defined in Paragraph III.B of Exhibit B hereto.

- 1.54. **“Medical Conditions List”** means the document of that title attached as Exhibit A hereto.
- 1.55. **“Non-Dow Corning Breast Implant”** means a “Non-Dow Corning Breast Implant” as defined in the Confirmed Plan of Reorganization.
- 1.56. **“Non-Dow Corning Breast Implant User”** means a “Non-Dow Corning Breast Implant User” as defined in the Confirmed Plan of Reorganization.
- 1.57. **“Non-POC DCC Breast Implant User”** means a member of the Voluntary Australian Subclass who is or was an Australian Dow Corning Breast Implant User but who did not file a Proof of Claim.
- 1.58. **“Non-POC DCC Breast Implant User Claim”** means a claim for compensation pursuant to this Settlement Option made by a Non-POCDCC Breast Implant User.
- 1.59. **“Non-POC DCC Breast Implant Users’ Fund”** means the “Non-POC DCC Breast Implant Users’ Fund” as that term is defined in Subparagraph 8.7(i), below.
- 1.60. **“Parties”** means collectively Certain Australian Claimants, Certain Australian Counsel and Dow Corning.
- 1.61. **“Participation-Based Settlement Premium”** means “Participation-Based Settlement Premium” as that term is defined in Subparagraph 5.1(ii) below.
- 1.62. **“POC DCC Breast Implant User”** means a member of the Voluntary Australian Subclass and who is or was an Australian Dow Corning Breast Implant User and who filed a Proof of Claim.
- 1.63. **“POC DCC Breast Implant User Claim”** means a claim for compensation pursuant to this Settlement Option made by a POC DCC Breast Implant User. “POC DCC Breast Implant User Claims” include both Expedited Claims and claims for compensation for Designated Medical Conditions made under Categories 1 through 6 as set forth in ¶ 7.2, the Medical Conditions Compensation Schedule, and as defined in the Medical Conditions List. “POC Dow Corning Breast Implant User Claims” do not include POC Raw Material Claims, POC Family Member Claims or Non-POC DCC Breast Implant User Claims, all as defined below. (A person who holds such a POC DCC Breast Implant User Claim shall be referred to herein as a **“POC DCC Breast Implant User Claimant.”**)
- 1.64. **“POC Family Member Claim”** means a “Family Member Claim,” as that term is defined in the Confirmed Plan of Reorganization, held by any person (1) who is the spouse, child or other individual related by blood, adoption, marriage and/or dependency to, or claiming some other personal relationship with, an Australian POC DCC Breast Implant User and (2) who filed a Proof of Claim. (A person who holds such a POC Family Member Claim shall be referred to herein as a **“POC Family Member Claimant.”**)

- 1.65. **“POC Raw Material Claim”** means a claim for compensation under this Agreement by an Australian POC Raw Material Breast Implant Claimant. (A person who makes such a POC Raw Material Claim pursuant to this Settlement Option shall be referred to herein as a **“POC Raw Material Claimant.”**)
- 1.66. **“Product Identification Documentation”** means “Product Identification Documentation” as that term is defined in Paragraph III.A of Exhibit B hereto.
- 1.67. **“Proof of Claim”** or **“POC”** means a claim that was filed by a claimant or her authorized representative against Dow Corning in the U.S. Bankruptcy Court on or before March 1, 1997 and appears on the list of proofs of claim maintained by the U.S. Bankruptcy Court. For purposes of the treatment of the Voluntary Australian Subclass only, “Proof of Claim” does not include any proof of claim filed on behalf of any “Rule 3005 Claimant” as that term is defined in the Confirmed Plan of Reorganization.
- 1.68. **“Qualified Medical Specialist”** means “Qualified Medical Specialist” as that term is defined in Paragraph III.B of Exhibit B hereto.
- 1.69. **“Registration/Voting Deadline”** means the Voting Deadline, as that term is defined in the Disclosure Statement.
- 1.70. **“Reilly Basheer Downs & Humphries”** means the law firm of Reilly Basheer Downs & Humphries, Barristers & Solicitors, presently located at 14 Stamford Court, Adelaide, Australia, which law firm is a partnership of Peter John Humphries and David Wemyss Tillett and its successors and assigns.
- 1.71. **“Release and Indemnification of Dow Corning and the Released Parties”** means the form entitled “Deed of Release and Indemnification of Dow Corning and the Released Parties,” attached as Exhibit D-1 hereto.
- 1.72. **“Released Parties”** means Dow Corning Corporation, Dow Corning Wright, Dow Corning Australia Pty. Ltd., Dow Corning New Zealand, Ltd., The Dow Chemical Company, Corning Incorporated, Dow Holdings, Inc., Hemlock Semiconductor Corporation, SDC Technologies, Inc., Dow Corning Toray Silicone Co., Ltd., and, for each of the aforementioned, their predecessors, successors, subsidiaries, officers, directors, employees, divisions, affiliates, representatives, attorneys, merged or acquired companies and assigns, the Settling Insurers, and, for purposes of this Settlement Option only, any insurer that, having been tendered claims submitted pursuant to this Settlement Option, actually makes payments reimbursing Dow Corning for the scheduled payments of the Settlement Amount.
- 1.73. **“Rupture”** means “Rupture” as that term is defined in Section IV of Exhibit A hereto.
- 1.74. **“Rupture Documentation”** means “Rupture Documentation” as that term is defined in Paragraph III.D of Exhibit B hereto.

- 1.75. “Settlement Facility Agreement”** means the “Settlement Facility Fund and Distribution Agreement” as that term is defined in the Confirmed Plan of Reorganization.
- 1.76. “Settlement Option”** means the entirety of the terms and provisions set forth in this Agreement.
- 1.77. “Settling Australian Claimant”** means any Australian Dow Corning Breast Implant User, regardless of whether such user filed a Proof of Claim, or any Australian POC Raw Materials Claimant who registers with the U.S. Balloting Agent, as defined below, to participate in the Voluntary Australian Subclass on or before the Registration/Voting Deadline pursuant to Section 4, below.
- 1.78. “Settling Insurer”** means “Settling Insurer” as that term is defined in the Confirmed Plan of Reorganization.
- 1.79. “Slater & Gordon”** means the law firm of Slater & Gordon, Barristers & Solicitors, presently located at 533 Little Lonsdale Street in Melbourne, Australia, which law firm is a partnership of Peter Gordon, Nicholas Styant-Browne, Stephen Plunkett, Paul Henderson, Paul Mulvany, Andrew Grech, Jacinta Forbes, David Clarke, Kate Hawkins and Rebecca Badenoch; and its successors and assigns.
- 1.80. “Subrogation Claims”** means “Subrogation Claims” as that term is defined in Paragraph 6.3, below.
- 1.81. “Supreme Court of Victoria”** means the Supreme Court of Victoria, Melbourne, Australia, which court has jurisdiction to oversee this Settlement Option as part of the case before Mr. Justice Beach entitled Maria Smith v. Dow Corning Australia Pty, Ltd. & Ors., Case No 7067 of 1994.
- 1.82. “Taxes”** means all stamp, financial institutions, registration and other duties, bank account taxes, debits taxes, goods and services taxes, value-added taxes, income taxes, capital gains taxes, other taxes, levies, imposts, deductions and charges whatsoever, together with interest thereon and penalties with respect thereto (if any) and charges, fees or other amounts made on or in respect thereof.
- 1.83. “Total Settlement Amount”** means the “Total Settlement Amount” as that term is defined in Subparagraph 5.1(ii), below.
- 1.84. “Trustee”** means the Trustee of the Dow Corning/Australia Settlement Trust appointed pursuant to Paragraph 8.1, below.
- 1.85. “U.S. Balloting Agent”** means the “Balloting Agent” as that term is described in the Amended Joint Disclosure Statement With Respect to Amended Joint Plan of Reorganization or such other entity that assumes the responsibilities of the “Balloting Agent” under the Confirmed Plan of Reorganization.

- 1.86. “U.S. Bankruptcy Case”** means the case under Chapter 11 of the U.S. Bankruptcy Code commenced by Dow Corning Corporation on May 15, 1995, Case No. 95-20512, for the reorganization or liquidation of Dow Corning Corporation, including all proceedings therein, now pending in the U.S. Bankruptcy Court.
- 1.87. “U.S. Bankruptcy Court”** means the U. S. Bankruptcy Court for the Eastern District of Michigan, Northern Division, or such other court as is administering the U.S. Bankruptcy Case.
- 1.88. “Voluntary Australian Subclass”** means the separate subclass of claimants established under the Confirmed Plan of Reorganization that encompasses any and all Australian Dow Corning Breast Implant Users and Australian POC Raw Material Breast Implant Claimants who register pursuant to the terms of this Settlement Option on or before the Registration/Voting Deadline.

2. EFFECTIVE DATE OF THIS SETTLEMENT OPTION REGARDING THE VOLUNTARY AUSTRALIAN SUBCLASS

This Settlement Option shall become effective on the Effective Date of the Confirmed Plan of Reorganization only if at least two thousand four hundred (2,400) Australian Dow Corning Breast Implant Users who filed Proofs of Claim, including substantially all of the Certain Australian Claimants, register pursuant to Paragraph 4.1, below, to participate in the Settlement Option as members of the Voluntary Australian Subclass on or before the Registration/Voting Deadline. Except as provided in Sections 3, 4, 8, 9, 11 and 13, below, prior to the Effective Date, the Parties hereto will have no rights or obligations hereunder. In the event that fewer than two thousand four hundred (2,400) Australian Dow Corning Breast Implant Users who filed Proofs of Claim register to participate in the Voluntary Australian Subclass on or before the Registration/Voting Deadline pursuant to Paragraph 4.1, below, this Settlement Option shall have no force or effect, and any person who has registered to participate in the Voluntary Australian Subclass shall be treated instead as a member of Class 6.1 of the Confirmed Plan of Reorganization.

3. NOTICE TO POTENTIAL MEMBERS OF THE VOLUNTARY AUSTRALIAN SUBCLASS

- 3.1.** Potential members of the Voluntary Australian Subclass who filed Proofs of Claim and all “Rule 3005 Claimants,” as that term is defined in the Confirmed Plan of Reorganization, will receive notice of this Settlement Option regarding the Voluntary Australian Subclass simultaneously and in conjunction with the mailing of the Disclosure Statement, Ballot Form and instructions for voting regarding the Amended Joint Plan of Reorganization.
- 3.2.** Potential members of the Voluntary Australian Subclass who did not file Proofs of Claim and who are known to Dow Corning and/or Certain Australian Counsel will receive notice of this Settlement Option regarding the Voluntary Australian Subclass, pursuant to the timing set forth in Paragraph 3.1, via direct mail to the claimant’s last known address or to her attorney, if known.

- 3.3. Members of the Voluntary Australian Subclass will receive notice of the Effective Date and further information regarding the making of claims via the Initial Mailing.

4. REGISTRATION/VOTING DEADLINE

- 4.1. Each Australian Dow Corning Breast Implant User or Australian POC Raw Material Breast Implant Claimant choosing to join the Voluntary Australian Subclass and apply for benefit under this Settlement Option must register with the U.S. Balloting Agent on or before the Registration/Voting Deadline by submitting to the U.S. Balloting Agent a properly completed and executed Ballot Form indicating such claimant's election to be treated under Class 6D of the Confirmed Plan of Reorganization. If the Ballot Form is sent by mail, the mailing must be received by the U.S. Balloting Agent on or before the Registration/Voting Deadline. If a claimant's Ballot Form is postmarked within thirty (30) days after the Registration/Voting Deadline, on a showing of good cause to the Claims Administrator for her failure to make the Registration/Voting Deadline and provided that her participation shall not prejudice the implementation of any claims administration procedures, the Claims Administrator may permit the claimant to participate as a member of the Voluntary Australian Subclass. An Australian Dow Corning Breast Implant User or Australian POC Raw Material Breast Implant Claimant who does not register to participate pursuant to this Paragraph 4.1 will be forever precluded from being considered a member of the Voluntary Australian Subclass under this Settlement Option. If an Australian Dow Corning Breast Implant User or an Australian POC Raw Material Breast Implant Claimant elects to register to join the Settlement Option, then any and all POC Family Member Claims related to that Australian Dow Corning Breast Implant User or Australian POC Raw Material Breast Implant Claimant shall also be governed by this Settlement Option.
- 4.2. Within twenty-one (21) days after the Registration/Voting Deadline, Dow Corning shall provide to Certain Australian Counsel a list of members of the Voluntary Australian Subclass as determined by Ballot Forms received by the U.S. Balloting Agent. After the appointment of the Claims Administrator, pursuant to Subparagraph 9.1(i), below, Dow Corning shall provide the Claims Administrator with the list of members of the Voluntary Australian Subclass as well as information about any Ballot Forms received after the Registration/Voting Deadline pursuant to Paragraph 4.1, above.

5. CONSIDERATION TO BE PROVIDED BY DOW CORNING

In consideration of the releases and other consideration to be provided by members of the Voluntary Australian Subclass pursuant to Section 6, below, and subject to and in accordance with the Confirmed Plan of Reorganization, Dow Corning Corporation or the Dow Corning Settlement Facility will cause the payments described in Paragraph 5.1, below, to be made to the Dow Corning/Australia Settlement Trust.

5.1. The Settlement Amount

- (i) The “Base Settlement Amount” is twenty-one million dollars in United States currency (\$US 21,000,000.00).
- (ii) Subject to the limitation set forth in Subparagraph 5.1(iii), below, in the event that more than two thousand four hundred (2,400) Dow Corning Breast Implant Users who filed Proofs of Claim register to participate in the Voluntary Australian Subclass, “Participation-Based Settlement Premiums” shall be calculated in the amount of thirty-five thousand five hundred dollars in U.S. currency (\$US 35,500.00) for every five (5) additional Dow Corning Breast Implant Users who filed Proofs of Claim who register to join the Voluntary Australian Subclass. Taken together, the Base Settlement Amount and the Participation-Based Settlement Premiums are referred to herein as the “Total Settlement Amount.”
- (iii) Regardless of, *inter alia*, the number of persons who register to participate in the Voluntary Australian Subclass, in no event shall Dow Corning or the Dow Corning Settlement Facility make or be called upon to make any additional payment above and beyond a “Maximum Settlement Amount” of thirty-six million dollars in United States currency (\$US 36,000,000.00). Regardless of, *inter alia*, whether the Total Settlement Amount to be paid is less than the Maximum Settlement Amount, in no event shall Dow Corning, the Released Parties or the Dow Corning Settlement Facility make or be called upon to make any additional payment above and beyond the Total Settlement Amount.
- (iv) The Total Settlement Amount constitutes the entire principal to be allocated to members of the Voluntary Australian Subclass under this Settlement Option for the payment of claims to members of the Voluntary Australian Subclass and valid claims against such members of the Voluntary Australian Subclass by HIC and is inclusive of any and all Taxes and legal or administrative fees, costs and disbursements. The Total Settlement Amount will be paid as provided in Paragraph 5.2, below, by Dow Corning Corporation or by the Dow Corning Settlement Facility to the Dow Corning/Australia Settlement Trust on trust for the members of the Voluntary Australian Subclass. In no event shall the schedule of the payments of the Total Settlement Amount by Dow Corning Corporation or by the Dow Corning Settlement Facility be accelerated.

5.2. Scheduled Payment of the Total Settlement Amount

Subject to Paragraph 5.1, above, the Total Settlement Amount is to be paid, pursuant to the following schedule:

- (i) an initial payment of ten percent (10%) of the Total Settlement Amount to be made in United States currency within forty-five (45) days after the

Effective Date (such payment being referred to herein as the “Initial Payment”);

- (ii) a second payment of twenty-seven percent (27%) of the Total Settlement Amount to be made in United States currency on or before the date one (1) calendar year after the date of the Initial Payment;
- (iii) a third payment of twenty-five percent (25%) of the Total Settlement Amount to be made in United States currency on or before the date two (2) calendar years after the date of the Initial Payment;
- (iv) a fourth payment of twelve percent (12%) of the Total Settlement Amount to be made in United States currency on or before the date three (3) calendar years after the date of the Initial Payment;
- (v) a fifth payment of six percent (6%) of the Total Settlement Amount to be made in United States currency on or before the date four (4) calendar years after the date of the Initial Payment;
- (vi) a sixth payment of seven percent (7%) of the Total Settlement Amount to be made in United States currency on or before the date five (5) calendar years after the date of the Initial Payment;
- (vii) a seventh payment of six percent (6%) of the Total Settlement Amount to be made in United States currency on or before the date six (6) calendar years after the date of the Initial Payment; and
- (viii) an eighth and final payment of seven percent (7%) of the Total Settlement Amount to be made in United States currency on or before the date seven (7) calendar years after the date of the Initial Payment.

6. CONSIDERATION TO BE PROVIDED BY MEMBERS OF THE VOLUNTARY AUSTRALIAN SUBCLASS

In consideration of the undertakings entered into by Dow Corning as described in Section 5, above, the members of the Voluntary Australian Subclass and Certain Australian Counsel will provide Dow Corning and the Released Parties with the releases and other consideration set forth in this Section 6.

6.1. Release of Dow Corning Breast Implant Claims, Dow Corning Raw Material Breast Implant Claims, Family Member Claims and Certain Other Claims

In consideration of the benefits, if any, she may receive pursuant to this Settlement Option, each member of the Voluntary Australian Subclass:

- (i) shall, as set forth in Paragraph 8.3 of the Joint Plan of Reorganization of the Confirmed Plan of Reorganization, forever and irrevocably release and discharge Dow Corning and any Released Party from any past, present and

future claims, actions, demands and liabilities of any nature whatsoever relating in whatever way to Dow Corning Breast Implants or Dow Corning Breast Implant Raw Materials on behalf of herself and, if applicable, any person related to her who has made or in the future could make a POC Family Member Claim;

- (ii) shall, prior to receiving any payment pursuant to this Settlement Option, submit to the Claims Administrator a properly completed and executed Release and Indemnification of Dow Corning and the Released Parties, the original of which the Claims Administrator shall send to Dow Corning pursuant to Subparagraph 9.1(ii)b, below;
- (iii) upon the Effective Date, by virtue of this instrument, her election to participate in this Settlement Option and the Confirmed Plan of Reorganization, each Australian Dow Corning Breast Implant User and each Australian Dow Corning Breast Implant Raw Materials Claimant who has registered to participate in the Voluntary Australian Subclass pursuant to Paragraph 4.1, above, is deemed irrevocably to have conclusively compromised, settled, released and discharged any and all claims against Dow Corning and all Released Parties, regardless of whether she has properly and completely executed a Release and Indemnification of Dow Corning and the Released Parties; and
- (iv) each member of the Voluntary Australian Subclass also must submit to the Claims Administrator (a) a properly completed and executed Release of Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members, attached as Exhibit D-2 hereto, and (b) a Solicitor's Certificate of Independent Legal Advice, attached as Exhibit C-2 hereto or an Affidavit of Unrepresented Settling Australian Claimant, attached as Exhibit C-3 hereto, all postmarked on or before the Claim and Documentation Deadline.

6.2. Settlement Option with HIC

- (i) The Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members shall, in respect of all payments made to the members of the Voluntary Australian Subclass, comply with the Australian Health and Other Services (Compensation) Act 1995 and other applicable laws.
- (ii) Certain Australian Counsel and Dow Corning will use their reasonable best efforts to reach an agreement with HIC pursuant to which, in consideration of an amount or amounts to be paid from the Costs of Settlement and Administration Fund and in a form acceptable to Dow Corning, HIC shall agree forever to compromise, settle, release, discharge and waive any and all claims, demands, actions or suits against any person, including without limitation the members of the Voluntary Australian Subclass, Dow Corning and the Released Parties, that HIC has, has had or may have in the future arising from or related in any way to any medical treatment, medical care and/or medical expenses of any member of the Voluntary Australian Subclass

for any matter related to Dow Corning Breast Implants and/or Dow Corning Breast Implant Raw Materials, whether such claims, demands, actions or suits arise out of the Australian Health and Other Services (Compensation) Act 1995, any other statutory law, common law or any other law. The payment of such amount or amounts out of the Costs of Settlement and Administration Fund shall constitute a “bulk payment” to HIC as that term is defined in the Australian Health and Other Services (Compensation) Act 1995.

- (iii) In the absence of an agreement for such a “bulk payment” to be made to HIC in discharge of any entitlements of HIC, any such entitlement of HIC to reimbursement of medical and like expenses is to be satisfied by the Claims Administrator from any compensation to be received by the involved Approved member of the Voluntary Australian Subclass pursuant to this Settlement Option, and the Trustee and Claims Administrator shall cooperate with Dow Corning and the Released Parties to ensure that all documentary and other requirements of HIC arising from the Australian Health and Other Services (Compensation) Act 1995 or other applicable laws are met.

6.3. Third-Party Subrogation Claims

In cases where there are unresolved claims or liens by third parties other than HIC for payments made or services rendered to any member of the Voluntary Australian Subclass relating to Dow Corning Breast Implants and/or Dow Corning Breast Implant Raw Materials, including, but not limited to, subrogation claims and liens of health care providers and insurers other than HIC, whether public or private (collectively referred to herein as “Subrogation Claims”), and such Subrogation Claims are not extinguished or paid, and in the event Dow Corning and/or the Released Parties are subjected to claims by third parties for payment of such Subrogation Claims, the member of the Voluntary Australian Subclass on whose behalf such claims or liens arose shall then fully hold harmless, reimburse and indemnify Dow Corning and/or the Released Parties; provided, however, that none of the members of the Voluntary Australian Subclass shall be required or called upon to pay to Dow Corning and/or any Released Party pursuant to this Paragraph 6.3 any amount that exceeds the amount of compensation she receives under this Settlement Option.

6.4. Third-Party Contribution or Indemnity Claims

As part of the Release and Indemnification of Dow Corning and the Released Parties, each member of the Voluntary Australian Subclass shall indemnify Dow Corning and all Released Parties and shall hold each of them harmless from, and reimburse and indemnify them for, any liability including, but not limited to, interest, contribution, costs and/or expenses related in any way to any action, suit, cause of action, claim and/or demand that Dow Corning or any Released Party may suffer, incur or sustain in connection with, or arising in any way out of, Dow Corning Breast Implants or Dow Corning Breast Implant Raw Materials or any medical treatment provided to the member of the Voluntary Australian Subclass in connection with Dow Corning Breast Implants and/or Dow Corning Breast Implant Raw Materials; provided, however, that no member of the Voluntary Australian Subclass shall be required or called upon to pay to Dow Corning and/or any Released Party pursuant to this Paragraph 6.4 any

amount that exceeds the amount of compensation she receives under this Settlement Option.

6.5. Dismissal of Litigation

- (i) Within thirty (30) days after the Effective Date, each member of the Voluntary Australian Subclass, including any POC Family Member Claimant related to such member of the Voluntary Australian Subclass, who has commenced litigation, other than by the filing of a Proof of Claim or joining *Maria Smith v. Dow Corning Australia Pty., Ltd. & Ors.*, Case No. 7067 of 1994 before the Supreme Court of Victoria, asserting Dow Corning Breast Implant Claim(s) and/or Dow Corning Breast Implant Raw Material Claims against any of Dow Corning or the Released Parties in any forum, including without limitation Australia and the United States, shall have the litigation withdrawn, discontinued, deemed void *ab initio* and/or dismissed without costs and with prejudice to her rights to resubmit the claim. Prior to receiving any compensation under this Settlement Option, the member of the Voluntary Australian Subclass shall provide to the Claims Administrator written confirmation that such litigation has been withdrawn, discontinued, deemed void *ab initio* and/or dismissed with prejudice to her rights to resubmit the claim.
- (ii) Upon termination of the Dow Corning/Australia Settlement Trust, *Maria Smith v. Dow Corning Australia Pty. Ltd. & Ors.*, Case No. 7067 of 1994, and all claims asserted therein shall be dismissed fully and finally with prejudice as against Dow Corning and the Released Parties.

7. ENTITLEMENTS OF MEMBERS OF THE VOLUNTARY AUSTRALIAN SUBCLASS

Only Approved Australian Claimants shall be entitled to receive payments under this Settlement Option. Any compensation approved by the Claims Administrator to an Approved Australian Claimant constitutes the sole and total compensation to such Approved Australian Claimant, and the amount will not be increased if, after receipt of the compensation, the Approved Australian Claimant's circumstances change in a way that might otherwise qualify her for increased compensation if she were pursuing a claim against the Dow Corning Settlement Facility as a Foreign Claimant in Class 6.1 but not as a member of the Voluntary Australian Subclass.

7.1. Expedited Claimants

- (i) An Approved POC DCC Breast Implant User making an Expedited Claim who has Level I Proof of Products Identification Documentation will receive a one-time payment of two thousand dollars in Australian currency (\$A 2,000.00) on or before the Expedited Claim Payment Date.
- (ii) An Approved POC DCC Breast Implant User making an Expedited Claim who has Level II Proof of Products Identification Documentation will receive

a one-time payment of five hundred dollars in Australian currency (\$A 500.00) on or before the Expedited Claim Payment Date.

- (iii) An Approved POC DCC Breast Implant User making both an Approved Expedited Claim and an Approved Rupture Claim will receive as compensation for her Approved Expedited Claim one of the payments set forth in Subparagraphs 7.1(i) and (ii), above, as applicable, on or before the Expedited Claim Payment Date, and will receive any additional compensation for her Approved Rupture Claim pursuant to the timetable for paying Approved POC DCC Breast Implant Users who did not make Expedited Claims.
- (iv) An Expedited Claimant may not make a claim for compensation for a Designated Medical Condition under Categories 1 through 5 or a POC Raw Material Claim.

7.2. POC DCC Breast Implant Users Making Claims Under Categories 1 Through 6

- (i) Medical Conditions Compensation Schedule and Compensation Ratios

The Claims Administrator shall rely on the following Compensation Ratios to calculate compensation for Approved POC DCC Breast Implant Users making claims under Categories 1 through 6 (As set forth in the table below, the “Projected Approximate Payments” are the amounts that, based on exchange rates in effect as of the execution of this Agreement, are anticipated to be paid for approved claims in each category other than Advanced Claims. It is possible that, pursuant to Subparagraph I.B.3 of Exhibit B, the actual compensation level as assessed by the Claims Administrator will be more or less than these amounts but the Compensation Ratios will remain constant.):

Category	Condition	Compensation Ratio	Projected Approximate
1	Disability Level “A”	0.60	\$A 47,650
2	Disability Level “B”	0.24	\$A 19,060
3	Disability Level “C”	0.12	\$A 9,530
4	Scleroderma/SLE	1.00	\$A 79,400
5	Localized Injury	0.11	\$A 8,740
6	Rupture	0.25	\$A 19,850

- (ii) Exclusivity of Medical Condition Categories
 - (a) POC DCC Breast Implant Users must elect to be assessed under Categories 1 through 4 and Category 6 or Category 5 on or before the Claim and Documentation Deadline. POC DCC Breast Implant Users who elect to be assessed under Categories 1 through 4 and

Category 6, but who are not approved for any of those categories, will not then be eligible to be assessed under Category 5.

- (b) POC DCC Breast Implant Users who elect to be assessed under Category 5 have no rights to compensation under Categories 1 through 4 or Category 6.
- (c) POC DCC Breast Implant Users may elect to be assessed for compensation under Category 6 in addition to compensation, if any, under an Expedited Claim or Categories 1 through 4, but all other categories are mutually exclusive.
- (d) When an Approved POC DCC Breast Implant User applies for compensation under Categories 1 through 4, the Claims Administrator may, in its discretion, change her claim to a more appropriate category within Categories 1 through 4. However, the Claims Administrator will assign the category that will give her the highest level of compensation possible on the basis of the Medical Conditions Documentation accepted by the Claims Administrator.
- (e) A POC DCC Breast Implant User who makes a claim under Categories 1 through 5 may not make an Expedited Claim or a POC Raw Material Claim.

(iii) Approved POC DCC Breast Implant Users with Level I Proof

(a) Sufficient Medical Conditions Documentation

Subject to Subparagraph 7.2(iii)(b), below, the Claims Administrator shall assign each Approved POC DCC Breast Implant User who submits Level I Proof and does not file an Expedited Claim to a category in the Medical Conditions Compensation Schedule, above. The category shall be determined pursuant to the Medical Conditions List and the Claims Administrator's assessment of the Approved POC DCC Breast Implant User's Medical Conditions Documentation.

(b) Insufficient Medical Conditions Documentation

If the Claims Administrator determines that the Approved POC DCC Breast Implant User who submits Level I Proof and does not file an Expedited Claim does not qualify to meet any category on the Medical Conditions Compensation Schedule, the Approved POC DCC Breast Implant User shall receive a one-time payment of one thousand seven hundred dollars in Australian currency (\$A 1,700.00).

(iv) Approved POC DCC Breast Implant Users with Level II Proof

(a) Sufficient Medical Conditions Documentation

Subject to Subparagraph 7.2(iv)(b), below, the Claims Administrator shall assign each Approved POC DCC Breast Implant User who submits Level II Proof and does not file an Expedited Claim to a category in the Medical Conditions Compensation Schedule, above. The category shall be determined pursuant to the Medical Conditions List and the Claims Administrator’s assessment of the Approved POC DCC Breast Implant User’s Medical Conditions Documentation. Such Approved POC DCC Breast Implant User with Level II Proof will be entitled to compensation of one half (50%) her applicable Compensation Ratio.

(b) Insufficient Medical Conditions Documentation

If the Claims Administrator determines that the Approved POC DCC Breast Implant User who submits Level II Proof and does not file an Expedited Claim does not qualify to meet any category on the Medical Conditions Compensation Schedule, the Approved POC DCC Breast Implant User shall receive a one-time payment of four hundred twenty-five dollars in Australian currency (\$A 425.00).

(v) Advanced Claimants

Each Approved POC DCC Breast Implant User who submits Level I Proof and who also meets the qualifications for the status of Advanced Claimant will have her compensation increased by one-third (33.33%), which will be added to her applicable Compensation Ratio; provided, however, that in no event will the additional compensation for an Advanced Claimant cause the Advanced Claimant’s aggregate compensation to exceed the applicable amounts listed below:

CATEGORY	CONDITION	AGGREGATE MAXIMUM COMPENSATION IN U.S. DOLLARS
1	Disability Level “A”	\$50,000.00
2	Disability Level “B”	\$20,000.00
3	Disability Level “C”	\$10,000.00
4	Scleroderma/SLE	\$83,333.00
5	Localized Injury	\$9,166.00
6	Rupture	\$20,000.00

(vi) Multiple Breast Implant Manufacturers

If an Approved POC DCC Breast Implant User qualifies for compensation under the Medical Conditions Compensation Schedule but the Claims Administrator also notes evidence of Non-Dow Corning Breast Implant(s) manufactured by 3M, Baxter or Bristol Meyer Squibb, the Claims Administrator will reduce any compensation payable to the Approved POC DCC Breast Implant User with respect to claims under Categories 1 through 4 to one-half (50%) the Approved POC DCC Breast Implant User's applicable Compensation Ratio, except that the Claims Administrator may, in the following circumstances, make the following adjustments:

- (a) If the Claims Administrator is satisfied that the Approved POC DCC Breast Implant User was overwhelmingly exposed to one or more Dow Corning Breast Implant(s), and only minimally exposed to any 3M, Baxter or Bristol Meyer Squibb Non-Dow Corning Breast Implant(s), the Claims Administrator may decline to reduce the Approved POC DCC Breast Implant User's compensation or may reduce the compensation by an amount not to exceed fifty percent (<50%),
- (b) If the Claims Administrator is satisfied that the Approved POC DCC Breast Implant User was overwhelmingly exposed to one or more 3M, Baxter or Bristol Meyer Squibb Non-Dow Corning Breast Implant and only minimally exposed to any Dow Corning Breast Implant, the Claims Administrator may reduce the Approved POC DCC Breast Implant User's compensation by an amount greater than fifty percent (>50%).

(vii) **Pre-Existing Medical Conditions**

Approved POC DCC Breast Implant Users shall not be entitled to receive compensation for the medical conditions delineated in the Medical Conditions List that became manifest prior to the implantation of the Dow Corning Breast Implant, except that an Approved POC DCC Breast Implant User may be entitled to receive compensation for such medical condition if her condition materially and significantly changed and worsened after she became a Dow Corning Breast Implant User. In such an instance, the Approved POC DCC Breast Implant User is required to submit medical records documenting and describing all relevant medical conditions for the entire duration of the manifestation of the medical conditions.

7.3. POC Raw Material Claims

Each Approved POC Raw Materials Claimant will receive a sole, exclusive, one-time payment of five hundred dollars in Australian currency (\$A 500.00), and will not receive any other compensation under this Settlement Option.

7.4. Non-POC DCC Breast Implant User Claims

- (i) Each Approved Non-POC DCC Breast Implant User who submits Level I Proof Products Identification Documentation of Dow Corning Breast Implant(s) will receive, subject to available funds as set forth in Paragraph I.C of Exhibit B hereto, a sole, exclusive, one-time payment of one thousand five hundred dollars in Australian currency (\$A 1,500.00).
- (ii) Each Approved Non-POC DCC Breast Implant User who submits Level II Proof Products Identification Documentation of Dow Corning Breast Implant(s) will receive, subject to available funds as set forth in Paragraph I.C of Exhibit B hereto, a sole, exclusive, one-time payment of two hundred fifty dollars in Australian currency (\$A 250.00).

7.5. No Additional Payments for Medical Expenses

Given that any and all valid claims against members of the Voluntary Australian Subclass for the reimbursement of medical expenses shall be satisfied pursuant to the agreement with HIC or pursuant to provisions in this Agreement or the Confirmed Plan of Reorganization in relation to Subrogation Claims, no separate payments or allowances for past or future medical expenses shall be provided to any member of the Voluntary Australian Subclass.

8. DOW CORNING/AUSTRALIA SETTLEMENT TRUST

8.1. Appointment of Trustee

- (i) Subject to the effectiveness of the Confirmed Plan of Reorganization and the provisions in Subparagraph 8.1(ii) below, ten (10) days prior to the hearing scheduled for the U.S. Bankruptcy Court's consideration of confirmation of the Amended Joint Plan of Reorganization, Dow Corning, Certain Australian Counsel, and/or any member of the Voluntary Australian Subclass may nominate Trustee for the Dow Corning/Australia Settlement Trust. As part of its confirmation order, the U.S. Bankruptcy Court will appoint a Trustee from among those entities nominated.
- (ii) The Trustee shall be, at the time of appointment and at all times during the term of service, independent. For purposes of this Settlement Option and the Dow Corning/Australia Settlement Trust, a person or entity is not independent if such person or entity has any of the characteristics or relationships with Dow Corning or any of the other Released Parties, Certain Australian Counsel, Certain Australian Claimants or other members of the Voluntary Australian Subclass as are set forth in Article IV, Subparagraph 4.02(c) of the Settlement Facility Agreement as characteristics or relationships that would prevent a candidate thereunder from being considered "independent."
- (iii) The Trustee shall serve for the life of the Dow Corning/Australia Settlement Trust. The Trustee may be removed by the U.S. Bankruptcy Court or the Supreme Court of Victoria for cause. Should the Trustee resign, or otherwise

become unable to carry out its duties regarding the Voluntary Australian Subclass, Certain Australian Counsel, Dow Corning and/or any member of the Voluntary Australian Subclass shall nominate a replacement to be appointed by the Supreme Court of Victoria.

- (iv) The Trustee shall be released from liability for any and all actions related to its duties and responsibilities regarding the Voluntary Australian Subclass by the Certain Australian Claimants and other members of the Voluntary Australian Subclass, Certain Australian Counsel and Dow Corning, except that Trustee may be held liable for wrongdoing and neglect of its fiduciary duties.
- (v) With regard to the payment of compensation to Approved Australian Claimants, the Trustee shall act and rely on the determinations of the Claims Administrator and, if appeals are brought pursuant to Section VIII of Exhibit B hereto, on the determinations of the Claims Review Panel.
- (vi) The Trustee shall have authority to employ such staff and expend such amounts from the Costs of Settlement and Administration Fund as are necessary for the successful administration of the claims of the members of the Voluntary Australian Subclass as provided herein.

8.2. The Settlement Amount shall be held on trust for the members of the Voluntary Australian Subclass by the Trustee of the Dow Corning/Australia Settlement Trust and shall be administered by the Claims Administrator on behalf of the Trustee pursuant to the terms herein, the Dow Corning/Australia Settlement Trust Deed and the applicable laws of the State of Victoria, Australia.

8.3. The Trustee shall have the power and duty to invest, reinvest and monitor funds paid by Dow Corning or the Dow Corning Settlement Facility to the Dow Corning/Australia Settlement Trust, to oversee the disbursement of funds by the Claims Review Panel and the Claims Administrator, and to monitor payments made under this Settlement Option to ensure compliance with the terms herein and any applicable law, including the Australian Health and Other Services (Compensation) Act 1995.

8.4. The Trustee shall have the discretion to authorize a more expeditious payment of claims to Approved Members of the Voluntary Australian Subclass than is provided under the existing terms herein.

8.5. The Trustee shall appoint a firm of independent chartered accountants, auditors and advisors as auditors of the Dow Corning/Australia Settlement Trust, the Claims Administrator, the Claims Officers and the Claims Review Panel. The auditors shall report to the Trustee and, as requested, to the Supreme Court of Victoria.

8.6. At the request of Dow Corning, Certain Australian Counsel, the U.S. Bankruptcy Court or the Supreme Court of Victoria, the Trustee shall report on the status and progress of the administration of the Dow Corning/ Australia Settlement Trust for the benefit of the members of the Voluntary Australian Subclass. The U.S. Bankruptcy

Court will retain jurisdiction of the Dow Corning/Australia Settlement Trust for Chapter 11 purposes.

8.7. Establishment of Sub-Funds

(i) Non-POC DCC Breast Implant Users' Fund

The Trustee shall establish a "Non-POC DCC Breast Implant Users' Fund" of 1.27% of the Total Settlement Amount. Under the direction of the Claims Administrator, all Approved Non-POC DCC Breast Implant Users shall be paid from the Non-POC DCC Breast Implant Users' Fund pursuant to Paragraph 7.4, above.

(ii) Costs of Settlement and Administration Fund

The Trustee shall establish a "Costs of Settlement and Administration Fund" not to exceed ten percent (10%) of the Total Settlement Amount unless authorized by the Supreme Court of Victoria. Subject to the approval of the Trustee, the Costs of Settlement and Administration Fund shall be used to pay the following:

- (a) any amounts due to HIC pursuant to the agreement with HIC described in Subparagraphs 6.2(i) and (ii) and Subparagraph 7.5, above;
- (b) the reasonable and necessary costs and expenses incurred by the Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members, in relation to the exercise of their duties and obligations with respect to the Voluntary Australian Subclass;
- (c) in accordance with the Supreme Court of Victoria Legal Costs Scale, attached hereto as Exhibit E, and pursuant to Paragraph I.A of Exhibit B, the fees and expenses of Certain Australian Counsel and other counsel for a substantial number of Settling Australian Claimants incurred in negotiating with Dow Corning a settlement of Australian claims which negotiations directly resulted in this Settlement Option, in drafting this Settlement Option and related documents, in negotiating, drafting and implementing the agreement with HIC contemplated hereby, in supporting the U.S. Bankruptcy Court's approval of this Settlement Option, in identifying appropriate Trustee, Claims Administrators and Claim Review Panel members, and in performing services required in the implementation of this Settlement Option prior to the Effective Date (other than services related to the registration or filing of claims by individual members of the Voluntary Australian Subclass or opposing approval of this Settlement Option or any prior proposed settlement of Australian claims or any other action in connection with the U.S. Bankruptcy Case) such as counsel would be entitled to on a solicitor and own-client basis as the assessed costs

of a class action settled pursuant to the Supreme Court of Victoria Legal Costs Scale, provided, that in determining the amount of fees and expenses allowable, the Supreme Court of Victoria may consider a statement by Dow Corning as to the benefits conferred by such counsel in facilitating their Settlement Option; and

- (d) any and all Taxes assessed against the Dow Corning/ Australia Settlement Trust pursuant to the laws of the State of Victoria and/or the Commonwealth of Australia and including (aa) any payroll tax or any goods and services tax payable upon the rental of any premises by the Claims Administrator or the acquisition or leasing of any plant and equipment by the Claims Administrator, and (bb) any Tax in relation to payroll expenses of the Trustee, Claims Administrator, Claims Officers or Claims Review Panel Members, with the exception of personal taxes on the earnings paid to any Trustee, Claims Administrator, Claims Officer, Claims Review Panel Member or employee thereof;
- (e) *except*, the Costs of Settlement and Administration Fund shall *not* pay (aa) any goods and services tax, financial institutions duty or other Tax payable on compensation paid hereunder to an individual member of the Voluntary Australian Subclass, or (bb) any Tax against interest earned in invested funds of the Dow Corning/Australia Settlement Trust which Tax will be paid from said interest earnings. In the event of any other Tax liability assessed against the Dow Corning/Australia Settlement Trust, including any costs, charges, losses, damages, expenses, penalties and liabilities of any kind, including, in particular, legal costs incurred in defending any proceedings (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, government agency or otherwise, the Trustee shall have the discretion to pay the Tax from the Costs of Settlement and Administration Fund or from the balance of funds available in the Dow Corning/Australia Settlement Trust.

9. CLAIMS ADMINISTRATION

9.1. The Claims Administrator

- (i) Appointment of the Claims Administrator

After the Registration/Voting Deadline and before the Effective Date, Dow Corning, Certain Australian Counsel, and/or any member of the Voluntary Australian Subclass will nominate a panel of candidates for the position of Claims Administrator, from which the Trustee shall appoint one Claims Administrator. The Claims Administrator shall be subject to removal by the Trustee or the Supreme Court of Victoria, for cause, and shall be replaced if necessary by the Trustee.

The Claims Administrator (or his or her successor or replacement) shall be (A) if an individual, a person over the age of thirty-five (35) whose experience and background are appropriate for the responsibilities hereunder, and (B) if an individual or an entity, at the time of appointment and at all times during the term of service, independent. For purposes of this Settlement Option and the Dow Corning/Australia Settlement Trust, a person is not independent if such person has any of the characteristics or relationships with Dow Corning or any of the other Released Parties, Certain Australian Counsel, Certain Australian Claimants or other members of the Voluntary Australian Subclass as are set forth in Article IV, Subparagraph 4.02(c) of the Settlement Facility Agreement as characteristics or relationships that would prevent a candidate thereunder from being considered “independent.”

(ii) Duties of the Claims Administrator

Under the ongoing supervision and authority of the Trustee and in accordance with the terms herein, including the provisions and procedures set forth in the Claims Administration Procedures, the Claims Administrator shall:

- (a) administer the Settlement Amount;
- (b) prior to approving any claim, provide to Dow Corning the Settling Australian Claimants’ properly completed and executed Release and Indemnification of Dow Corning and the Released Parties;
- (c) establish an office or offices in Australia;
- (d) appoint Claims Officers pursuant to Paragraph 9.2 below;
- (e) prepare and submit to the Trustee for approval budgets for the organization and operation of the Claims Administration Procedures;
- (f) cooperate fully with any independent auditor appointed by the Trustee; and
- (g) establish confidentiality procedures to ensure the confidentiality of all information concerning the members of the Voluntary Australian Subclass and any information about claimants, provided by Dow Corning, the U.S. Bankruptcy Court, except as specifically provided otherwise by law, including, but not limited to, requiring all employees to sign a confidentiality statement.

9.2. Claims Officers

For the purposes of assisting in the administration of the claims of the members of the Voluntary Australian Subclass, the Claims Administrator shall appoint Claims Officers. The Claims Officers shall be subject to removal without cause either by the Claims Administrator or by the Trustee or by both. The Claims Officers shall be under the supervision of the Claims Administrator and shall:

- (i) process all releases, waivers and forms, including, *inter alia*, the Claim Form, Product Identification Documentation, Medical Conditions Documentation, Rupture Documentation, Releases and Indemnifications of Dow Corning and the Released Parties, and the Releases of Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members;

evaluate the claims of all members of the Voluntary Australian Subclass by, among other things, judging the content and timeliness of all submitted forms and other documentation, and determine the eligibility of each member of the Voluntary Australian Subclass to receive compensation hereunder before authorizing and arranging for any payment to Approved Australian Claimants pursuant to this Settlement Option; and

sign the confidentiality statement identified in Subparagraph 9.1(ii)g, above, and honor all the confidentiality procedures of the Claims Administrator.

9.3. The Claims Review Panel

For the purposes of determining appeals made pursuant to Section VIII of the Claims Administration Procedures, the Trustee shall create a Claims Review Panel. The Trustee shall appoint two Claims Review Panel Members from a panel of candidates nominated by Dow Corning, Certain Australian Counsel or any member of the Voluntary Australian Subclass. The appointments shall be subject to the approval of the Trustee. The Claims Review Panel Members shall be subject to removal by the Trustee or the Supreme Court of Victoria, for cause.

9.4. Release of Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members

Certain Australian Claimants, Certain Australian Counsel and Dow Corning hereby release from liability the Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members for any actions or consequences arising out of the proper exercise of their duties hereunder.

As set forth in Subparagraph 6.1(iv), above, prior to receiving any compensation hereunder, each member of the Voluntary Australian Subclass shall provide the Claims Administrator with a fully and properly executed Release of Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members, in the form attached as Exhibit D-2 hereto.

10. EXCLUSIVE REMEDY

This Settlement Option provides the sole, exclusive remedy for any and all members of the Voluntary Australian Subclass with respect to Dow Corning Breast Implant Claims and Dow Corning Raw Materials Breast Implant Claims. Neither Dow Corning nor any of the Released Parties shall be subject to liability or expense of any kind to any member of the Voluntary Australian Subclass with respect to any Dow Corning Breast Implant Claim or Dow Corning Raw Materials Breast Implant Claim except as provided herein. Upon the Effective Date, each member of the Voluntary Australian Subclass shall be barred forever from continuing, initiating, asserting or prosecuting any Dow Corning Breast Implant Claim or Dow Corning Raw Materials Breast Implant Claim other than pursuant to the terms set forth herein.

11. REASONABLE BEST EFFORTS

Dow Corning and Certain Australian Counsel will use their reasonable best efforts to secure the appropriate court orders and other approvals necessary to implement and effectuate this Settlement Option as part of the Confirmed Plan of Reorganization.

12. RETENTION OF RECORDS AND RIGHT OF REVIEW

The Claims Administrator shall retain all records relating to the compensation of claims for a minimum of ten (10) years after the Effective Date, after which the Claims Administrator shall retain or dispose of such records in a manner determined in consultation with Dow Corning and approved by the U.S. Bankruptcy Court or the Supreme Court of Victoria. For purposes of the U.S. Bankruptcy Case and for the recovery of insurance proceeds by Dow Corning and/or the Released Parties, Dow Corning and/or the Released Parties may, upon reasonable notice and at their own expense, inspect any and all claims records, including the medical records of any or all members of the Voluntary Australian Subclass. Such a review of records shall not constitute or be deemed to constitute a waiver of the physician-patient privilege of any member of the Voluntary Australian Subclass for any other purpose or as to any other communication or documents, and shall not affect the eligibility of any claims. Dow Corning and the Released Parties shall maintain the confidentiality of claims information to the extent necessary to protect the identity and privacy of individual member of the Voluntary Australian Subclass.

13. MISCELLANEOUS

13.1. Ongoing Authority of the Courts

- (i) The U.S. Bankruptcy Court shall maintain such continuing jurisdiction as it may have (1) over any individual action against any of Dow Corning or the Released Parties that is properly before the U.S. Bankruptcy Court commenced by an Australian Dow Corning Breast Implant User or Dow Corning POC Raw Material Breast Implant Claimant who does not register to participate in the Voluntary Australian Subclass pursuant to Section 4, above, (2) over this instrument, to, *inter alia*, assure that all payments by Dow Corning or the Dow Corning Settlement Facility are properly made and enforce the releases provided for herein, and (3) over Dow Corning and the Released Parties.

- (ii) The Supreme Court of Victoria shall have jurisdiction over this instrument to, *inter alia*, oversee the administration and distribution of the Dow Corning/Australia Settlement Trust, approve amendments, if any, to the Settlement Option, and interpret and enforce the releases, terms, conditions and obligations pursuant to the Settlement Option.

13.2. Capitalization

Dow Corning is aware that Certain Australian Counsel has had discussions with a major financial institution regarding a possible agreement whereby such financial institution would make a single lump-sum payment to the Dow Corning/Australia Settlement Trust in consideration of an assignment of the scheduled payments to be made by Dow Corning pursuant to Paragraph 5.2, above, to provide for a more expeditious payment of claims to Approved Australian Claimants than is provided for under the existing terms herein (“Capitalization Agreement”). Certain Australian Counsel shall enter into such Capitalization Agreement only if Certain Australian Counsel submit to the Trustee for prior approval, and obtain such prior approval for, such Capitalization Agreement together with an amended timetable and protocol for claims administration, handling and payment that in fact provides for a more expeditious payment of claims than is provided for under the existing terms herein and that complies with Paragraph 13.5, below. The Trustee shall approve any Capitalization Agreement that provides for the payment of a capital sum in excess of ninety percent (90%) of the net present value of the Total Settlement Amount to be distributed to Approved Australian Claimants according to ratios of equal proportions as those provided for under the existing terms herein except that any compensation stated as a fixed dollar amount in the Settlement Option shall not be decreased. If the Capitalization Agreement is entered into prior to the appointment of the Trustee, neither the Capitalization Agreement nor the amended timetable and protocol shall require the approval of the Trustee. Neither such Capitalization Agreement nor the amended time table and protocol shall require the approval of the U.S. Bankruptcy Court or the Supreme Court of Victoria.

13.3. Timing

The time for the doing of any act or thing or for the filing of any documentation hereunder may be extended by the joint written agreement of both Certain Australian Counsel and Dow Corning.

13.4. Choice of Law

With the exception of disputes arising out of the Dow Corning/Australia Settlement Trust Deed, any disputes arising out of this instrument (the Agreement) shall be governed by and construed in accordance with the laws of the State of Michigan in the United States of America without regard to the choice of law principles of any other state or any other country. Any disputes arising out of the Dow Corning/Australia Settlement Trust Deed shall be governed by and construed in accordance with the laws of the State of Victoria, Australia without regard to the choice of law principles of any other state or any other country.

13.5. Entire Agreement and Term

This Settlement Option and Agreement, including all Exhibits attached hereto, constitutes a single integrated written contract that expresses the entire agreement and understanding between the Parties. This Agreement supersedes all prior communications, negotiations and understandings between the Parties, regarding the matters addressed by this Agreement. Except as explicitly set forth herein or in the judgments or orders of the U.S. Bankruptcy Court approving the Confirmed Plan of Reorganization of which this Settlement Option is part, or both, there are no representations, warranties, promises or inducements, whether oral written, express or implied, that in any way affect or condition the validity of this Agreement or alter its terms.

Except as expressly set forth herein, the failure or invalidation of any particular provision of this agreement will not in any way affect the validity of any other provision or the performance by any Party pursuant to any other provision.

13.6. Amendments

This Agreement will have perpetual existence and may be amended only by a subsequent written instrument executed by the Parties and, subject to the exceptions set forth in Paragraphs 13.2 and 13.3, above, expressly approved in writing by the Trustee and, if applicable, the Supreme Court of Victoria.

13.7. Settlement Option Binding up on Successors

This Settlement Option shall be binding upon and shall inure to the benefit of Dow Corning, the Released Parties, Certain Australian Claimants and other members of the Voluntary Australian Subclass and Certain Australian Counsel, and their respective successors and assigns, including without limitation any bankruptcy trustee appointed in the U.S. Bankruptcy Case, any substantively consolidated entity of which Dow Corning Corporation's estate may form a part and any successor or assign under the Confirmed Plan of Reorganization.

13.8. No Waiver, Admission or Prejudice

Except as otherwise expressly provided herein, by entering into this agreement, none of Dow Corning, the Released Parties, the Certain Australian Claimants or other members of the Voluntary Australian Subclass or Certain Australian Counsel has waived or will be deemed to have waived any rights, obligations, privileges or positions that have been asserted or might in the future be asserted in connection with any claim, matter or person outside the scope of this agreement.

Neither the existence nor the terms of this Settlement Option may be referred to, introduced or used, directly or indirectly, in any litigation or proceeding as evidence of any admission by either Dow Corning or any Released Party regarding product identification, fault, liability, causation, level of damages or any other issue.

Moreover, Dow Corning denies any wrongdoing or liability of any kind and in any place with respect to any Dow Corning Breast Implant Claim.

Nothing in this Settlement Option shall prejudice or in any way interfere with the rights of any of Dow Corning, the Released Parties, Certain Australian Claimants and other members of the Voluntary Australian Subclass or Certain Australian Counsel to pursue any rights and remedies it has or in the future may have in connection with any claim, matter or person outside the scope of this Agreement.

13.9. Notices

All communications to be provided pursuant to or in connection with this Agreement either by Certain Australian Claimants, other members of the Voluntary Australian Subclass and Certain Australian Counsel to Dow Corning, or by Dow Corning to Certain Australian Claimants and other members of the Voluntary Australian Subclass or Certain Australian Counsel shall be in writing and shall be delivered personally or sent by registered mail or overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other individuals and addresses as Certain Australian Claimants, other members of the Voluntary Australian Subclass, Certain Australian Counsel or Dow Corning may designate in writing from time to time.

If to Certain Australian Claimants, other members of the Voluntary Australian Subclass and Certain Australian Counsel:

Attn: Certain Australian Counsel
Slater & Gordon, Barristers & Solicitors
533 Little Lonsdale Street
Melbourne
Victoria, Australia 3001
Telephone: 61-3-9602-4855
Facsimile: 61-3-9670-1679 or 61-3-9600-0290

If to Dow Corning:

James R. Jenkins, Esq.
Vice President, Secretary and General Counsel
Dow Corning Corporation
Midland, Michigan 48686-0994
Telephone: 1-517-496-4287
Facsimile: 1-517-496-8307

and

Scott D. Gilbert, Esq.
Estelina L. Dallett, Esq.
Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, NW
Washington, DC 20037

Telephone: 1-202-785-9700
Facsimile: 1-202-887-0689

13.10. Headings

Titles or headings contained in this instrument are included only for ease of reference and have no substantive effect.

13.11. Execution

This Agreement may be executed by Certain Australian Claimants, Certain Australian Counsel and Dow Corning in counterparts, each of which will be deemed an original and all of which, when so executed and taken together, will constitute one and the same instrument.

13.12. Authority

The individuals who have executed this Agreement expressly represent and warrant that they are fully instructed and authorized to act as agents of and to enter into this Agreement on behalf of the Parties, and in the case of Certain Australian Counsel on behalf of Certain Australian Claimants, for the purpose of duly binding the Parties, but subject, in the case of Dow Corning, to the effectiveness of the Confirmed Plan of Reorganization, as contemplated herein.

IN WITNESS WHEREOF, Certain Australian Claimants, Certain Australian Counsel and Dow Corning have caused this Agreement consisting of thirty-four (34) pages and eight (8) Exhibits to be executed as a deed under seal by their respective duly authorized representatives as of the date(s) set forth below.

Dated: February 15, 1999

Signed: /s/ Peter Gordon

Peter Gordon,
Slater & Gordon

For: **CERTAIN AUSTRALIAN CLAIMANTS and
CERTAIN AUSTRALIAN COUNSEL**

Dated: February 15, 1999

Signed: /s/ Peter Humphries

Peter Humphries,
Reilly Basheer Downs & Humphries

For: **CERTAIN AUSTRALIAN CLAIMANTS and
CERTAIN AUSTRALIAN COUNSEL**

Dated: February 15, 1999

Signed: /s/ Gary E. Anderson

Gary E. Anderson, President

For: **DOW CORNING CORPORATION**

EXHIBIT A

MEDICAL CONDITIONS LIST

The procedures set forth herein will be implemented by the Claims Administrator, subject to the ongoing authority and supervision of the Trustees. These provisions and procedures do not and are not intended to impose any responsibilities or obligations on Dow Corning and/or the Released Parties. As used in this Exhibit, capitalized terms not defined herein have the definitions set forth in Section 1 of the Agreement or in other Exhibits thereto, as indicated.

Settling Australian Claimants who are or were Australian Dow Corning Breast Implant Users and who meet the disability levels and diagnostic criteria for the diseases, medical conditions and symptom complexes listed herein and meet other requirements set forth in the Settlement Option will be compensated pursuant to the Settlement Option.

I. CATEGORIES 1, 2 AND 3 – DISABILITY LEVELS A, B AND C

Compensation under Categories 1, 2 and 3 will be determined by the claimant's level of disability under the relevant disease category, as the claimant's licensed treating physician or Qualified Medical Specialist determines in accordance with the guidelines set forth in this Section I.

A. Atypical Neurological Disease Syndrome (“ANDS”)

1. A diagnosis of Atypical Neurological Disease Syndrome (“ANDS”) shall be based on the clinical findings and laboratory tests set forth below. The clinical and laboratory presentation of these neurological syndromes will have an atypical presentation from the natural disease and will also have additional neuromuscular, rheumatic or nonspecific autoimmune signs and symptoms.
2. Eligibility for ANDS requires both:
 - a. satisfying the requirements for one of the four neurological disease types set forth in Paragraph I.A.5, below; and
 - b. any three additional (nonduplicative) neuromuscular, rheumatic or nonspecific symptoms or findings set forth in the definition for ACTD pursuant to Paragraph I.G.3, below.
3. An individual will fit into this category if her primary symptoms are characteristic of a neurological disease as diagnosed by a Qualified Medical Specialist.
4. If the individual's Qualified Medical Specialist determines that a symptom is clearly and specifically caused by a source other than breast implants, that symptom will not be utilized in the diagnosis of ANDS. A symptom that may

be caused only in part by a source other than breast implants is not excluded from such utilization.

5. Neurological Disease Types

a. Polyneuropathies

This disease category requires a diagnosis of a polyneuropathy that is confirmed by one or more of the following:

- i. objectively demonstrated loss of sensation to pinprick, vibration, touch or position;
- ii. proximal or distal muscle weakness;
- iii. tingling and/or burning pain in the extremities;
- iv. signs of dysesthesia; or
- v. loss of tendon reflex;

and one or more of the following laboratory findings:

- vi. abnormal levels of anti-mag or anti-sulfatide or anti-GM 1 antibodies;
- vii. abnormal sural nerve biopsy; or
- viii. abnormal electrodiagnostic testing (EMG or nerve conduction studies, etc.).

b. Multiple Sclerosis-Like Syndrome

This disease category requires definite evidence of central nervous system disease, with history and physical findings compatible with Multiple Sclerosis or Multiple Sclerosis-Like Syndrome, involving one or more of the following signs and symptoms:

- i. weakness in the pyramidal distribution;
- ii. evidence of optic neuritis documented by ophthalmologist;
- iii. increased deep tendon reflexes;
- iv. absent superficial abdominal reflexes;
- v. ataxia or dysdiadochokinesia as the sign of cerebellar involvement;

- vi. neurologically induced tremors; or
- vii. internuclear ophthalmoplegia and/or bladder or speech involvement secondary to central nervous system disease;

and one or more of the following:

- viii. abnormal Brain MRI with foci of increased signal abnormality suggestive of demyelinating lesions;
- ix. delayed visual-evoked responses or abnormal-evoked potentials; or
- x. abnormal CSF with oligoclonal bands.

c. ALS-Like Syndrome

This disease category requires documented evidence of progressive upper and widespread lower motor neuron disease and/or bulbar involvement, and one or more of the following:

- i. neurological autoantibodies such as anti-mag, anti-sulfatide or anti-GM1;
- ii. abnormal sural nerve biopsy;
- iii. chronic inflammation on muscle or nerve biopsies;
- iv. abnormal EMG; or
- v. documentation on exam of both upper and lower motor neuron disease and/or bulbar involvement.

d. Disease of Neuromuscular Junction

This disease category requires either (1) a diagnosis of Myasthenia Gravis or Myasthenia Gravis-like syndrome or disorders of the neuromuscular junction, made by a Qualified Medical Specialist qualified to make such diagnosis, and confirmed by abnormal EMG showing typical findings of decrement on repetitive stimulation testing and/or elevated acetylcholine receptor antibodies or (2) submission of sufficient evidence of, and the required findings confirming, such condition.

6. Disability Categories

The compensation level for ANDS will be based on the degree to which the individual is “disabled” by the condition, as the individual’s licensed treating

physician or Qualified Medical Specialist determines in accordance with the following guidelines. The determination of disability under these guidelines will be based on the cumulative effect of the symptoms on the individual's ability to perform her vocational, avocational, or usual self-care activities. ("Vocational" means activities associated with work, school and homemaking. "Avocational" means activities associated with recreation and leisure. "Usual self-care" means activities associated with dressing, feeding, bathing, grooming, and toileting.)

In evaluating the effect of the individual's symptoms, the licensed treating physician will take into account the level of pain and fatigue resulting from the symptoms. The disability percentages appearing below are not intended to be applied with numerical precision, but are, instead, intended to serve as a guideline for the licensed treating physician in the exercise of his or her professional judgment.

a. Category 1, Disability Level A

Death or total disability due to the compensable condition. An individual shall be considered totally disabled if she demonstrates a functional capacity adequate to consistently perform none or only few of the usual duties or activities of vocation or self-care.

b. Category 2, Disability Level B

An individual will be eligible for Category 2 if she is thirty-five percent (35%) disabled due to the compensable condition. An individual shall be considered thirty-five percent (35%) disabled if she demonstrates a loss of functional capacity that renders her unable to perform some of her usual activities of vocation, avocation and self-care, or if she can perform them only with regular or recurring severe pain.

c. Category 3, Disability Level C

An individual will be eligible for Category 3 if she is twenty percent (20%) disabled due to the compensable condition. An individual shall be considered twenty percent (20%) disabled if she can perform some of her usual activities of vocation, avocation and self-care only with regular or recurring moderate pain.

B. Mixed Connective Tissue Disease ("MCTD") and Overlap Syndrome

1. A diagnosis of Mixed Connective Tissue Disease ("MCTD") shall be based on the presence of clinical symptoms characteristic of two or more rheumatic diseases (SS, SLE, myositis and Rheumatoid Arthritis), accompanied by positive RNP Antibodies. See, e.g., Kelley, et al., Textbook of Rheumatology (4th ed.) Table 63-1, at 1061.

2. “Overlap Syndrome” means any one of the following three: (i) diffuse cutaneous scleroderma, (ii) limited cutaneous scleroderma, or (iii) Sine scleroderma, occurring concomitantly with diagnosis of SLE, inflammatory muscle disease or rheumatoid arthritis. See Kelley, et al., supra, Table 66-2, at 1114.
3. The application of the above diagnostic criteria is not intended to exclude from the compensation program individuals who present clinical symptoms or laboratory findings atypical of MCTD but who nonetheless have an Overlap Syndrome, except that an individual will not be compensated in this category if her symptomology more closely resembles an atypical connective tissue disease condition/atypical rheumatic syndrome/nonspecific autoimmune condition.
4. Disability Categories

- a. Category 1, Disability Level A

Death or total disability resulting from MCTD or Overlap Syndrome. An individual will be considered totally disabled based on the functional capacity test set forth in Disability Level A of ACTD/ARS.

- b. Category 2, Disability Level B

MCTD or Overlap Syndrome, plus major organ involvement or major disease activity including central nervous system, cardiopulmonary, vasculitic or renal involvement or hemolytic anemia (marked) or thrombocytopenic purpura or severe granulocytopenia.

- c. Category 3, Disability Level C

Other.

C. Polymyositis/Dermatomyositis

1. A diagnosis of polymyositis or dermatomyositis shall be made in accordance with diagnostic criteria proposed by Bohan and Peter, “Polymyositis and Dermatomyositis,” N. Engl J. Med. 292:344, 1975, i.e., (i) symmetrical proximal muscle weakness, (ii) EMG changes characteristic of myositis including (a) short duration, small or low amplitude polyphasic potential, (b) fibrillation potentials, or (c) bizarre high-frequency repetitive discharges, (iii) elevated serum muscle enzymes (CPK, aldolase, SGOT, SGPT and LDH), (iv) muscle biopsy showing evidence of necrosis of type I and II muscle fibers, areas of degeneration and regeneration of fibers, phagocytosis, and an interstitial or perivascular inflammatory response, (v) dermatologic features including a lilac (heliotrope), erythematous, scaly involvement of the face, neck, shawl area and extensor surfaces of the knees, elbows and medial malleoli and Gottron’s papules. A diagnosis of dermatomyositis requires the

presence of three of the criteria plus the rash (fifth criterion). A diagnosis of polymyositis requires the presence of four criteria without the rash. See Kelley, *et al.*, *supra*, at 1163.

2. Application of the above diagnostic criteria is not intended to exclude from the compensation program individuals who present clinical symptoms or laboratory findings atypical of polymyositis or dermatomyositis but who nonetheless have a polymyositis or dermatomyositis-like disease, except that an individual will not be compensated in this category if her symptomology more closely resembles an ACTD.

3. Disability Categories

a. Category 1, Disability Level A

Death or total disability resulting from polymyositis or dermatomyositis. An individual will be considered totally disabled based on the functional capacity test set forth for Disability Level A for ACTD/ARS.

b. Category 2, Disability Level B

Polymyositis or dermatomyositis with associated malignancy and/or respiratory muscle involvement.

c. Category 3, Disability Level C

Other, including polymyositis or dermatomyositis with muscle strength of Grade III or less.

D. Primary Sjogren's Syndrome

1. A clinical diagnosis of Primary Sjogren's Syndrome shall be made in accordance with diagnostic criteria proposed by Fox, *et al.* See Kelley, *et al.*, *supra*, Table 55-1, at 932; Fox, *et al.* "Primary Sjogren's Syndrome Clinical and Immunopathologic Features," *Seminars Arthritis Rheum.*, 1984; 4:77-105.

2. Application of the above diagnostic criteria is not intended to exclude from the compensation program individuals who present clinical symptoms or laboratory findings atypical of Primary Sjogren's Syndrome but who nonetheless have a Primary Sjogren's Syndrome-like disease.

3. Disability Categories

a. Category 1, Disability Level A

Death or total disability due to the compensable condition. An individual will be considered totally disabled based on the functional capacity test set forth in Disability Level A for ACTD/ARS.

b. Category 2, Disability Level B

Primary Sjogren's Syndrome with associated central nervous system or severe cardio-pulmonary involvement or Primary Sjogren's Syndrome with pseudolymphoma or associated lymphoma.

c. Category 3, Disability Level C

Other.

E. SS-like Disease

SS-like disease is defined as an autoimmune/rheumatic disease that fulfils most of the accepted standards for the diagnosis of Systemic Sclerosis/Scleroderma, as defined in Paragraph II.A, below, but is in some manner atypical of Systemic Sclerosis or Scleroderma.

a. Category 1, Disability Level A

A Settling Claimant, or her estate, will be eligible for "Category 1–Disability Level A" compensation if she is totally disabled (100% disabled) by or has died due to an SS-like condition. An individual will be considered totally disabled if she demonstrates a loss of functional capacity adequate to consistently perform none or only few of the usual activities of vocation, avocation, and self-care set forth in Paragraph I.B.1, above, or if she suffers from SS-like disease with associated severe renal involvement manifested by a decrease in glomerular filtration rates.

b. Category 2, Disability Level B

A Settling Claimant will be eligible for "Category 2 – Disability Level B" if her SS-like disease manifests with cardio-pulmonary involvement or diffuse (Type III) scleroderma as defined in Barnett, A Survival Study of Patients with Scleroderma Diagnosed Over 30 Years (1953-1983): Value of a Simple Cutaneous Classification in the Early Stages of the Disease, 15 The Journal of Rheumatology 276 (1988) and Masi, Classification of Systemic Sclerosis (Scleroderma): Relationship of Cutaneous Subgroups in Early Disease to Outcome and Serologic Reactivity, 15 The Journal of Rheumatology 894 (1988).

c. Category 3, Disability Level C

A Settling Claimant will be eligible for “Category 3 – Disability Level C” if her SS-like disease manifests as CREST or limited or intermediate scleroderma except that if the Settling Claimant manifests either severe renal involvement manifested by a decrease in glomerular filtration rates, or cardio-pulmonary involvement, she will be compensated at either Category 1 or 2, as appropriate.

F. SLE-like Disease

SLE-like disease is defined as an autoimmune/rheumatic disease that fulfils most of the accepted standards for the diagnosis of Systemic Lupus Erythematosus, as defined in Paragraph II.B, below, but is in some matter atypical of systemic lupus erythematosus.

a. Category 1, Disability Level A

A Settling Claimant, or her estate, will be eligible for “Category 1 – Disability Level A” if she is totally disabled (100% disabled) by or has died due to an SLE-like condition. An individual will be considered totally disabled if she demonstrates a loss of functional capacity adequate to consistently perform none or only few of the usual activities of vocation, avocation and self-care set forth in Paragraph I.B.1, above, or if she has severe renal involvement manifested by a decrease in glomerular filtration rates.

b. Category 2, Disability Level B

A Settling Claimant will be eligible for “Category 2 – Disability Level B” if her SLE-like disease manifests with major organ involvement with one or more of the following: glomerulonephritis, central nervous system involvement, (*i.e.*, seizures or Lupus Psychosis), myocarditis, pneumonitis, thrombocytopenic purpura, hemolytic anemia (marked), severe granulocytopenia, mesenteric vasculitis. See Samter, Max, ed., Immunological Diseases Table 56-6, at 1352.

c. Category 3, Disability Level 3

A Settling Claimant will be eligible for “Category 3 – Disability Level C” if her SLE-like disease manifests with non-major organ SLE requiring regular medical attention, including doctor visits and regular prescription medications. An individual is not excluded from this category if she is someone for whom prescription medications are recommended but who, because of the side effects of those medications, chooses not to take them.

G. Atypical Connective Tissue Disease (“ACTD”), Atypical Rheumatic Syndrome (“ARS”) and Nonspecific Autoimmune Condition (“NAC”)

1. This category will provide compensation for individuals experiencing symptoms that are commonly found in autoimmune or rheumatic diseases but which are not otherwise classified in any of the other compensable disease categories. This category does not include individuals who have been diagnosed with classical rheumatoid arthritis in accordance with ACR criteria, but will include individuals diagnosed with undifferentiated connective tissue disease (“UCTD”). However, such inclusion is not intended to exclude from this category persons who do not meet the definition of UCTD, it being intended that individuals not meeting the classic definitions of UCTD will be compensated pursuant to the provisions contained herein relative to ACTD, ARS and NAC.
2. As with other individuals who fit within this disease compensation program, the fact that a breast implant recipient has been in the past misdiagnosed with classic rheumatoid arthritis or the fact that the symptoms of classic rheumatoid arthritis may coexist with other symptoms will not exclude the individual from compensation herein. Persons who meet the criteria below and may have a diagnosis of atypical rheumatoid arthritis will not be excluded from compensation under this category.
3. A diagnosis of ACTD, ARS or NAC must satisfy one of the sets of criteria below. If the individual’s Qualified Medical Specialist determines that a symptom is clearly and specifically caused by a source other than breast implants, that symptom will not be used in the diagnosis of ACTD or ARS. A symptom that may be caused only in part by a source other than breast implants may be used in the diagnosis or categorization. The relevant groups of symptoms are as follows:
 - a. any two of the three signs and symptoms listed in Subparagraph I.G.4.a, below (Group I);
 - b. any one of the three signs and symptoms listed in Subparagraph I.G.4.a, below (Group I), plus any one of the ten signs and symptoms listed in Subparagraph I.G.4.b, below (Group II);
 - c. any three of the ten signs and symptoms listed in Subparagraph I.G.4.b, below (Group II);
 - d. any two of the ten signs and symptoms listed in Subparagraph I.G.4.b, below (Group II), plus any one additional (nonduplicative) sign or symptom from the eighteen listed in Subparagraph I.G.4.c, below (Group III); or
 - e. five nonduplicative signs or symptoms listed in Subparagraphs I.G.4.a (Group I), I.G.4.b (Group II) or I.G.4.c (Group III), below.

4. Symptom Groupings

a. Group I Signs and Symptoms

- i. Raynaud's phenomenon evidenced by the patient giving a history of two color changes, or visual evidence of vasospasm, or evidence of digital ulceration;
- ii. polyarthritis, defined as synovial swelling and tenderness in three or more joints lasting greater than six weeks and observed by a physician; and/or
- iii. Keratoconjunctivitis Sicca: subjective complaints of dry eyes and/or dry mouth, accompanied by any one of the following:
 - lacrimal or salivary enlargement,
 - parotid enlargement,
 - abnormal Schirmer test,
 - abnormal Rose-Bengal staining,
 - filamentous keratitis,
 - abnormal parotid scan or ultrasound,
 - abnormal CT or MRI of parotid, or
 - abnormal labial salivary biopsy.

b. Group II Signs and Symptoms

- i. Myalgias determined by tenderness on examination;
- ii. immune mediated skin changes or rash, as follows:
 - changes in texture or rashes that may or may not be characteristic of SLE, SS or dermatomyositis,
 - diffuse petechiae, telangiectasias or livedo reticularis;
- iii. pulmonary symptoms or abnormalities, which may or may not be characteristic of SLE, SS or Primary Sjogren's Syndrome, as follows:
 - pleural and/or interstitial lung disease,

restrictive lung disease,

obstructive lung disease as evidenced by characteristic clinical findings and either characteristic chest X-ray changes or characteristic pulmonary function test abnormalities in a non-smoker (e.g., decrease DLCO or abnormal arterial blood gases);

iv. pericarditis defined by consistent clinical findings and either EKG or echocardiogram;

v. neuropsychiatric symptoms: cognitive dysfunction (memory loss and/or difficulty concentrating) which may be characteristic of SLE or MCTD as determined by a SPECT scan or PET scan or MRI or EEG or neuropsychological testing;

vi. peripheral neuropathy diagnosed by physical examination showing one or more of the following:

loss of sensation to pinprick, vibration, touch or position,

tingling, paresthesia or burning pain in the extremities,

loss of tendon reflex,

proximal or distal muscle weakness (loss of muscle strength in extremities or weakness of ankles, hands or foot drop),

signs of dysesthesia, or

entrapment neuropathies.

vii. myositis or myopathy, diagnosed by weakness on physical examination or by muscle strength testing, abnormal CPK or aldolase, abnormal cybex testing, abnormal EMG or abnormal muscle biopsy;

viii. serologic abnormalities that include any one of the following:

ANA greater than or equal to 1:40 (using Hep2),

positive ANA profile such as Anti-DNA, SSA, SSB, RNP, SM, Scl-70, centromere, JO-1, PM-Scl or dsDNA (preferable to use ELISA with standard cutoffs),

other autoantibodies, including thyroid antibodies, anti-microsomal, or anti-cardiolipin, or RF (by nephelometry with 40 IU cutoff),

elevation of immunoglobulin (IgG, IgA, IgM), or

serologic evidence of inflammation such as elevated ESR, CRP;

- ix. lymphadenopathy (as defined by at least 1 lymph node greater than or equal to 1x1 cm) documented by a physician; or
- x. dysphagia with positive cine-esophagram, manometry or equivalent imaging.

c. Group III Signs and Symptoms

- i. Documented arthralgia;
- ii. documented Myalgias;
- iii. chronic fatigue (for more than 6 months);
- iv. documented Lymphadenopathy;
- v. documented Neurological symptoms including cognitive dysfunction or paresthesia;
- vi. photosensitivity;
- vii. documented Sicca symptoms;
- viii. documented dysphagia;
- ix. documented Alopecia;
- x. documented sustained balance disturbances;
- xi. documented sleep disturbances;
- xii. documented easy bruisability or bleeding disorder;
- xiii. documented chronic cystitis or bladder irritability;
- xiv. documented colitis or bowel irritability;
- xv. persistent low grade fever or night sweats;

- xvi. mucosal ulcers confirmed by physician;
- xvii. burning pain in the chest, breast, arms or axilia, or substantial loss of function in breast due to disfigurement or other complications from implants or explantation; or
- xviii. pathological findings of granulomas or siliconomas or chronic inflammatory response or breast infections.

5. Disability Categories

The compensation level for ACTD/ARS/NAC will be based on the degree to which the individual is “disabled” by the condition, as the individual’s licensed treating physician or Qualified Medical Specialist determines in accordance with the following guidelines. The determination of disability under these guidelines will be based on the cumulative effect of the symptoms on the individual’s ability to perform her vocational, avocational or usual self-care activities, as defined above. In evaluating the effect of the individual’s symptoms, the licensed treating physician will take into account the level of pain and fatigue resulting from the symptoms. The severity/disability percentages appearing below are not intended to be applied with numerical precision, but are, instead, intended to serve as a guideline for the licensed treating physician in the exercise of his or her professional judgment.

a. Category 1, Disability Level A

Death or total disability resulting from the compensable condition. An individual will be considered totally disabled if she demonstrates a functional capacity adequate to consistently perform none or only few of the usual duties or activities of vocation or usual self-care.

b. Category 2, Disability Level B

An individual will be eligible for Category 2 if she is thirty-five percent (35%) disabled due to the compensable condition. An individual shall be considered thirty-five percent (35%) disabled if she demonstrates a loss of functional capacity that renders her unable to perform some of her usual activities of vocation, avocation, and usual self-care, or she can perform them only with regular or recurring severe pain.

c. Category 3, Disability Level C

An individual will be eligible for Category 3 if she is twenty percent (20%) disabled due to the compensable condition. An individual shall be considered twenty percent (20%) disabled if she can perform some of her usual activities of vocation, avocation and usual self-care only with regular or recurring moderate pain.

II. CATEGORY 4–SCLERODERMA/SLE

A. Systemic Sclerosis/Scleroderma (“SS”)

A diagnosis of systemic sclerosis shall be made in accordance with the criteria established in Kelley, et al., supra, at 1113, et seq.

B. Systemic Lupus Erythematosus (“SLE”)

A diagnosis of systemic lupus erythematosus (“SLE”) shall be made in accordance with the “1982 Revised Criteria for the Classification of Systemic Lupus Erythematosus,” 25 Arthritis and Rheumatism No. 11 (November 1982) adopted by the American College of Rheumatology (“ACR”). See Kelly, et al., supra, , Table 611-11 at 1037. A diagnosis of lupus is made if four of the eleven manifestations listed below were present, either serially or simultaneously, during any interval of observations:

1. Malar rash, defined as fixed erythema, flat or raised, over the malar eminences, tending to spare the nasolabial folds
2. Discoid rash, defined as erythematous raised patches with adherent keratotic scaling and follicular plugging (atrophic scarring may occur in older lesions)
3. Photosensitivity, defined as skin rash as a result of an unusual reaction to sunlight, by patient history or physician observation
4. Oral ulcers, defined as oral or nasopharyngeal ulceration, usually painless, observed by a physician
5. Arthritis, defined as nonerosive arthritis involving two or more peripheral joints, characterized by tenderness, swelling or effusion
6. Serositis, defined as (a) pleuritis – convincing history of pleuritic pain or rub heard by a physician or evidence of pleural effusion, or (b) pericarditis – documented by ECG or rub or evidence of pericardial effusion
7. Renal disorder, defined as (a) persistent proteinuria greater than 0.5 g/day or greater than 3+ if quantitation not performed, or (b) cellular casts – may be red cell, hemoglobin, granular, tubular or mixed
8. Neurologic disorder, defined as (a) seizures – in the absence of offending drugs or known metabolic derangements, e.g., uremia, ketoacidosis, or electrolyte imbalance, or (b) psychosis – in the absence of offending drugs or known metabolic derangements, e.g., uremia, ketoacidosis, or electrolyte imbalance
9. Hematologic disorder, defined as (a) hemolytic anemia – with reticulocytosis, or (b) leukopenia – less than 4000/mm total on two or more occasions, or (c)

lymphopenia – less than 1500/mm on two or more occasions, or (d) thrombocytopenia – less than 100,000/mm in the absence of offending drugs

10. Immunologic disorder, defined as (a) positive LE cell preparation, or (b) anti-DNA – antibody to native DNA in abnormal titer, or (c) anti-Sm – presence of antibody to SM nuclear antigen, or (d) false positive serologic test for syphilis known to be positive for at least six months and confirmed by Treponema pallidum immobilization or fluorescent treponemal antibody absorption test
11. Antinuclear antibody, defined as an abnormal titer of antinuclear antibody by immunofluorescence or an equivalent assay at any point in time and in the absence of drugs known to be associated with drug-induced lupus syndrome.

III. CATEGORY 5–LOCALIZED INJURY

“Localized Injury” means:

- A. a diagnosis by Settling Claimant’s Qualified Medical Specialist of Baker Grade IV contracture of the claimant’s breast(s) implanted with Dow Corning Breast Implant(s), see Little, Gerald and Baker, James, Results of Closed Compression Capsulotomy for Treatment of Contracted Breast Implant Capsules, Plastic and Reconstructive Surgery, 65:1 (1980); and/or
- B. surgical removal of a significant amount of the claimant’s breast tissue as a result of the need to remove gel masses located at sites distant from the Breast Implant; and/or
- C. “Explantation,” which means the surgical removal of one or more Dow Corning Breast Implants, irrespective of any Rupture, where such removal occurred after December 31, 1990 and the Settling Claimant received no subsequent implant of any silicone-gel Breast Implant after such removal.

IV. CATEGORY 6–RUPTURE

“Rupture” means the failure of the elastomer envelope(s) surrounding a silicone-gel Dow Corning Breast Implant to contain the gel (resulting in contact of the gel with the body), not solely as a result of “gel bleed,” but due to a tear or other opening in the envelope after implantation and prior to the Explantation procedure during which such implant was removed.

EXHIBIT B

CLAIMS ADMINISTRATION PROCEDURES

The procedures set forth hereunder are for the distribution and administration of funds in the Dow Corning/Australia Settlement Trust and for the registration, submission, processing, approval and payment of claims pursuant to the Dow Corning Settlement Option Regarding the Voluntary Australian Subclass (the "Settlement Option" or "Agreement"). As used in this Exhibit B, capitalized terms not defined herein have the definitions set forth in Section 1 of the Agreement or in other Exhibits thereto, as indicated.

The procedures will be implemented by the Claims Administrator who is subject to the ongoing authority and supervision of the Trustee and the Supreme Court of Victoria. The procedures described in this Exhibit do not, and are not intended to, impose any responsibility or obligation on any of Dow Corning, the Dow Corning Settlement Facility or the Released Parties.

I. ALLOCATION OF FUNDS

Subject to the approval of the Trustee and the Supreme Court of Victoria, the Total Settlement Amount shall be distributed from the Dow Corning/Australia Settlement Trust as follows:

A. Costs of Settlement and Administration Fund

As set forth and defined in Section 8 of the Agreement, the Trustee shall establish a Costs of Settlement and Administration Fund. Within three weeks after receiving the Initial Payment, the Trustee shall transfer 4.68% of the Total Settlement Amount to the Costs of Settlement and Administration Fund ("Initial Administrative Amount"). Within three (3) weeks after receiving each of the successive payments pursuant to Paragraph 5.1 of the Agreement, the Trustee shall transfer amounts not to exceed 0.76% of the Total Settlement Amount to the Costs of Settlement and Administration Fund ("Annual Administrative Amount").

Subject to the approval of the Trustee, disbursements shall be made from the Costs of Settlement and Administration Fund to cover the categories of costs identified in Subparagraph 8.7(i) of the Settlement Option. As set forth in Subparagraph I.D.3, below, any funds remaining in the Costs of Settlement and Administration Fund immediately prior to the termination of the Dow Corning/Australia Settlement Trust shall be distributed as part of the Premium Fund.

B. Initial Payment

The Initial Payment of ten percent (10%) of the Total Settlement Amount, described in Subparagraph 5.1(i) of the Settlement Option and any interest accruing on such amount after the date it is paid to the Dow Corning/ Australia Settlement Trust, shall be allocated as follows:

1. the Initial Administrative Amount shall be transferred to the Costs of Settlement and Administration Fund;
2. approved Expedited Claims shall be paid;
3. the Claims Administrator shall begin processing POC DCC Breast Implant User Claims under Categories 1 through 6 in the order in which they are received, and, after all such claims have been approved, rejected or reclassified, they shall be evaluated and the sum of the funds remaining in the Dow Corning/Australia Settlement Trust and the payments remaining to be made shall be calculated. Based on such evaluation and calculation, the Trustee shall determine the dollar equivalent of each Compensation Ratio listed in the Medical Conditions Compensation Schedule. After all approved Expedited Claims have been paid, the dollar equivalent of the applicable Compensation Ratio shall be paid to Approved POC DCC Breast Implant User Claimants by installment, if appropriate, or in the order in which their claims were approved by the Claims Administrator pursuant to Paragraph IV.C, below;
4. if any funds remain thereafter, they shall be held for future distribution to other claimants.

C. Second Payment

The second payment of twenty-seven percent (27%) of the Total Settlement Amount, described in Subparagraph 5.1(ii) of the Settlement Option, and any interest accruing on such amount after the date it is paid to the Dow Corning/Australia Settlement Trust, shall be allocated as follows:

1. the Annual Administrative Payment shall be transferred to the Costs of Settlement and Administration Fund;
2. 1.27% of the Total Settlement Amount shall be allocated to the “Non-POC DCC Breast Implant Users’ Fund”;
3. all Approved Non-POC DCC Breast Implant Users shall be paid from the Non-POC DCC Breast Implant Users’ Fund pursuant to Paragraph 7.4 of the Agreement. If the Trustee determines there will be insufficient funds to make a full payment to all Approved Non-POC DCC Breast Implant Users, the payment to each Approved Secondary Claimant will be decreased proportionately so that all payments to Approved Non-POC DCC Breast Implant Users can be accommodated by the Non-POC DCC Breast Implant Users’ Fund. If any funds remain in the Non-POC DCC Breast Implant Users’ Fund after payment to all Approved Non-POC DCC Breast Implant Users, the excess funds shall revert to the Dow Corning/Australia Settlement Trust for future distribution to other claimants;
4. remaining approved claims, if any, shall be paid;

5. remaining funds, if any, shall be held for future distribution to other claimants.

D. Third Through Eighth Payments

The third through eighth payments, described in Subparagraphs 5.1(iii) through (viii) of the Settlement Option, and any interest accruing thereon after the dates such payments are made to the Dow Corning/Australia Settlement Trust, shall be allocated as follows:

1. each year the Annual Administrative Amount shall be transferred to the Costs of Settlement and Administration Fund;
2. remaining approved claims, if any, shall be paid;
3. Premium Fund

if any funds remain in the Dow Corning/Australia Settlement Trust or the Costs of Settlement and Administration Fund, net of the final costs of administration, after the eighth and final year, such surplus shall be distributed *pro rata* among Approved POC DCC Breast Implant Users in accordance with their placement on the Medical Conditions Compensation Schedule. Any such additional payments, if any, shall be considered an independent payment and shall be made immediately prior to the termination of the Dow Corning/Australia Settlement Trust.

II. DEADLINES

A. Registration/Voting Deadline

To be considered a member of the Voluntary Australian Subclass and to be eligible to be approved to receive payment under the Settlement Option, every member of the Voluntary Australian Subclass must submit a properly completed and executed Ballot Form to the U.S. Balloting Agent on or before the Registration/Voting Deadline.

B. Expedited Claim Deadline

A POC DCC Breast Implant User Claimant who chooses to file an Expedited Claim must submit a properly completed and executed Claim Form, a properly completed and executed Release of Dow Corning and the Released Parties and all other documentation required pursuant to Paragraph IV.B., below, postmarked on or before the Expedited Claim Deadline. A POC DCC Breast Implant User Claimant who files an Expedited Claim may also file a claim for compensation for Rupture but is precluded from filing any other type of claim under this Settlement Option.

C. Claim and Documentation Deadline

Each Settling Australian Claimant who does not file an Expedited Claim must submit a properly completed and executed Claim Form, a properly completed and executed Release of Dow Corning and the Released Parties, and all other documentation

required pursuant to Paragraphs IV.C, D, E and F, below, postmarked on or before the Claim and Documentation Deadline.

III. DOCUMENTATION

Where these Claims Administration Procedures require the submission of copies, such copies must be in a form that permits the Claims Administrator to reasonably determine that the documents are authentic copies. Where these Claims Administration Procedures require the submission of medical records, including pathology or operative reports, the Settling Australian Claimant must submit originals or copies of contemporaneous medical records. If the Settling Australian Claimant's Qualified Medical Specialist, other medical doctor or hospital refuses to provide her with the originals or copies of her medical records, the Settling Australian Claimant may instead submit a report from such doctor or hospital relying on the Settling Australian Claimant's contemporaneous medical records and providing sufficient information to enable the Claims Administrator to evaluate the claim (such report is referred to herein as a "Detailed Medical Report").

A. Product Identification Documentation

"Product Identification Documentation" consists of any or all documents meeting the criteria for Level I Proof or Level II Proof, as defined below, that a Settling Australian Claimant wishes the Claims Administrator to consider in assessing her claim that her Breast Implant(s) is or was a Dow Corning Breast Implant and/or contained or contains Dow Corning Breast Implant Raw Materials. All Product Identification Documentation shall be submitted on or before the Claim and Documentation Deadline.

The Claims Administrator shall consider all Product Identification Documentation submitted by the Settling Australian Claimant and, if the documentation is acceptable, shall grade the documentation as "Level I Proof" or as "Level II Proof."

1. Level I Proof

"Level I Proof" of a Dow Corning Breast Implant shall consist of originals, or copies of one or more of the following:

- a. proof of manufacture as set forth in Paragraph I.B of Schedule I to Annex A to the Settlement Facility Agreement;
- b. contemporaneous medical records of the implanting surgeon or implanting hospital, or a Detailed Medical Report, attesting that Dow Corning Breast Implant(s) were implanted in the Settling Australian Claimant;
- c. the contemporaneous receipt from the supplier of the Settling Australian Claimant's Breast Implant showing that Dow Corning Breast Implant(s) were supplied and/or delivered for implantation in the Settling Australian Claimant; or

- d. the actual Breast Implant(s), identifiable as Dow Corning Breast Implant(s) that were removed, together with a Detailed Medical Report or contemporaneous medical records of the explanting hospital or surgeon describing the surgical removal of the Dow Corning Breast Implant(s).\

Level I Proof Product Identification Documentation of Dow Corning Breast Implant Raw Materials is equivalent to the proof otherwise required in this Subparagraph III.A.1, except that the proof shall demonstrate the claimant's breast implant was a breast implant of the types that are listed in Part III, Paragraphs B and D of Schedule I to Annex A to the Settlement Facility Agreement.

2. Level II Proof

“Level II Proof” of a Dow Corning Breast Implant shall consist of one or more of the following:

- a. originals or copies of contemporaneous medical records or a Detailed Medical Report from the surgeon or hospital that explanted the Settling Australian Claimant's Breast Implant(s) attesting to removal of a Dow Corning Breast Implant. Such documentation will not be acceptable if any information in the Settling Australian Claimant's medical records or the Detailed Medical Report describing the implant is inconsistent with the Dow Corning Breast Implant product identifiers set forth in Paragraph I.D of Schedule I to Annex A to the Settlement Facility Agreement; or
- b. originals or copies of contemporaneous operative and medical records describing the implant procedure(s) performed on the Settling Australian Claimant or a Detailed Medical Report from the hospital or surgeon that implanted the Settling Australian Claimant's Breast Implant(s), together with correspondence from the implanting surgeon or hospital attesting that the surgeon used exclusively Dow Corning Breast Implants at the time the Settling Australian Claimant received her Breast Implant(s). Such documentation will not be acceptable if any information in the medical records is inconsistent with the Dow Corning Breast Implant product identifiers set forth in Paragraph I.D of Schedule I to Annex A to the Settlement Facility Agreement.

B. Medical Conditions Documentation for Categories 1, 2, 3 and 4 – Disability Levels A, B or C, or Scleroderma/SLE

“Medical Conditions Documentation” consists of originals or copies of any or all medical records or medical evaluations or a Detailed Medical Report of the POC DCC Breast Implant User by a medical practitioner who is a fellow in good standing with the Royal Australasian College of Physicians and/or the Royal Australasian College of Surgeons and has completed advanced training in internal medicine,

rheumatology, immunology, neurology, neurosurgery and/or general surgery or equivalent qualification as determined by the Claims Administrator (such a medical practitioner is referred to herein as a “Qualified Medical Specialist”). The Medical Conditions Documentation must give details of the POC DCC Breast Implant User’s medical condition and include a description of disability, if any. The Medical Conditions Documentation must be submitted to the Claims Administrator on or before the Claim and Documentation Deadline. Subject to and in accordance with the terms and conditions of the Settlement Option, the Claims Administrator shall use the Medical Conditions Documentation to place the POC DCC Breast Implant User in the appropriate category, if any, on the Medical Conditions Compensation Schedule.

C. Localized Injury Documentation for Category 5

“Localized Injury Documentation” consists of:

1. if the Localized Injury is based on a diagnosis of Baker Grade IV contracture, originals or copies of contemporaneous medical records or a Detailed Medical Report by Settling Australian Claimant’s Qualified Medical Specialist or plastic surgeon demonstrating the diagnosis of Baker Grade IV contracture as provided in the Medical Conditions List;
2. if the Localized Injury is based on surgical removal of breast tissue, originals or copies of pathology reports confirming the presence of silicone gel masses in tissues at sites distant from the area of the Breast Implant(s) together with contemporaneous operative reports describing the surgical procedures employed to remove the silicone gel masses and the need to remove breast tissue, or a Detailed Medical Report confirming and describing these conditions and procedures; or
3. if the Localized Injury is based on removal of Dow Corning Breast Implant(s), originals or copies of contemporaneous operative reports, or a Detailed Medical Report describing the surgical procedure to remove the Dow Corning Breast Implant(s) and confirming the date of removal.

D. Rupture Documentation for Category 6

“Rupture Documentation” consists of:

1. if the Settling Australian Claimant’s Dow Corning Breast Implant was removed on or before January 1, 1992, originals or copies of contemporaneous operative or pathology reports documenting the Rupture, or a Detailed Medical Report;
2. if the Settling Australian Claimant’s Dow Corning Breast Implant was removed after January 1, 1992, originals or copies of contemporaneous operative reports and, if available, a pathology report documenting the Rupture, or a Detailed Medical Report, together with a statement as to

whether the ruptured implants have been preserved and, if so, the name and address of the custodian;

3. if the Settling Australian Claimant's Dow Corning Breast Implant was removed after the Registration/Voting Deadline, originals or copies of contemporaneous operative reports and, if available, contemporaneous pathology reports documenting the Rupture, or a Detailed Medical Report; the Settling Australian Claimant must provide also a statement from the explanting surgeon (or other appropriate professional approved by the Claims Administrator) affirming that, in his or her opinion, the Rupture did not occur during or after the Explantation procedure – this statement must describe the results of the inspection and provide a factual basis for the opinion (e.g., in light of silicone granuloma formation on the exterior of the biologic capsule, or findings concerning the nature of the destruction of the elastomer envelope) and the Settling Australian Claimant, who shall use her best efforts to cause the removed implant to be preserved, must provide also a statement as to whether the ruptured implants have been preserved, and if so, the name and address of the custodian, and if not, the reasons why not;
4. if the Claims Administrator determines that proof submitted, if any, pursuant to Paragraphs III.D.1, III.D.2 and III.D.3, above, is not acceptable, the Claims Administrator may consider (i) originals or copies of contemporaneous medical records and/or pathology report(s) created before Explantation surgery or within a reasonable time after Explantation of the Dow Corning single or double-lumen silicone gel Breast Implant, or a Detailed Medical Report, demonstrating visual confirmation of a breach in the elastomer envelope found upon or prior to removal of the silicone gel Dow Corning Breast Implant(s) or (ii) originals or copies of contemporaneous medical records and/or pathology report(s), or a Detailed Medical Report, demonstrating migration along tissue planes distant from the site of breast implantation of a substantial mass of material confirmed by biopsy to be silicone from a ruptured Dow Corning single or double-lumen silicon gel Breast Implant; or
5. if removal of a ruptured Dow Corning Breast Implant is medically contraindicated as determined pursuant to Paragraph 6.02(e)(iv)a.3 of Annex A to Settlement Facility Agreement, the Claims Administrator will consider evidence of Rupture in accordance with Paragraph 6.02(e)(iv)a.2 of Annex A to Settlement Facility Agreement.

E. Technical Deficiencies

1. If there are technical deficiencies in any materials submitted to the Claims Administrator by or on behalf of a Settling Australian Claimant, the Claims Administrator shall inform the Settling Australian Claimant by prepaid mail and the Settling Claimant shall be given sixty (60) days to correct the technical deficiencies. If the Settling Claimant does not correct the technical deficiencies to the satisfaction of the Claims Administrator within sixty (60) days, and (a) she is an Expedited Claimant, she will be eligible to be approved for only eighty percent (80%) of the amount otherwise potentially available to her under Section 7 of the Settlement Option, (b) she is a POC DCC Breast Implant User under Categories 1 through 6 or an Advanced Claimant, she will be eligible to be approved at the level at which she would have been approved if she had submitted a POC DCC Breast Implant User Claim with insufficient Medical Conditions Documentation pursuant to Subparagraph 7.2(iii)b of the Settlement Option, (c) she is a POC Raw Material Claimant, she will not be eligible to receive any compensation, or (d) she is a Non-POC DCC Breast Implant User, she will be eligible to be approved to receive only eighty percent (80%) of the amount otherwise potentially available to her as a Non-POC DCC Breast Implant User with Level II Proof pursuant to Subparagraph 7.4(ii) of the Settlement Option.
2. Technical deficiencies that a Settling Australian Claimant shall be allowed to correct include, but are not limited to, incomplete or improperly executed forms, Product Identification Documentation, Medical Conditions Documentation, Localized Injury Documentation, Rupture Documentation or Release and Indemnification of Dow Corning and the Released Parties.
3. Deficiencies that a Settling Australian Claimant cannot correct pursuant to Subparagraph III.E.1, above, include failure to meet any deadline for filing any form and/or other required documentation. However, if a Settling Australian Claimant failed to meet the Claim and Documentation Deadline but she provides valid evidence that she missed the deadline because of hospitalization or serious medical illness, the Claims Administrator, in its sole discretion, is permitted to extend the Claim and Documentation Deadline for that individual.

IV. APPROVAL

A. Eligibility Criteria

For her claim to be approved, a member of the Voluntary Australian Subclass must submit documentation to the Claims Administrator showing that she meets certain criteria. Such documentation shall include the following, where relevant:

1. evidence of Australian citizenship or residency (“Proof of Residency”). Such Proof of Residency can include, but is not limited to, a copy of a passport,

driver's license, income tax filing statement or other equivalent documentation acceptable to the Claims Administrator; or

2. evidence of implantation in Australia ("Proof of Place of Implantation"). Such Proof of Place of Implantation can include, but is not limited to, copies of medical records or detailed medical bills;
3. evidence of a Proof of Claim, if relevant, which shall consist of inclusion of the Settling Australian Claimant's name among those who filed a Proof of Claim on the list of proofs of claim maintained by the U.S. Bankruptcy Court;
4. unless her authorized legal representative files a Solicitor's Certificate of Independent Legal Advice listing her name on Attachment 1 thereto, submission, postmarked on or before the Claim and Documentation Deadline, of a properly completed and executed Affidavit of Unrepresented Settling Australian Claimant; and
5. submission postmarked on or before the Claim and Documentation Deadline of a properly completed and executed Release and Indemnification of Dow Corning and the Released Parties.

B. Expedited Claims

Only a POC DCC Breast Implant User Claimant can make an Expedited Claim. To be approved, a POC DCC Breast Implant User Claimant must submit the following documentation to the Claims Administrator postmarked on or before the Expedited Claim Deadline, and the information contained in the documentation must meet the criteria set forth in the Settlement Option, including the Exhibits attached thereto:

1. documentation as set forth in Paragraph IV.A, above;
2. a properly completed and executed Claim Form with the Expedited Claim option checked; and
3. properly completed and executed Product Identification Documentation, pursuant to Paragraph III.A, above, that proves the POC DCC Breast Implant User Claimant is or was a Dow Corning Breast Implant User.

C. POC DCC Breast Implant User Claimant Claims Under Categories 1 Through 6

To be approved under Categories 1 through 6, a POC DCC Breast Implant User Claimant must submit the following documentation to the Claims Administrator postmarked on or before the Claim and Documentation Deadline, and the information contained in the documentation must meet the criteria set forth in the Agreement, including the Exhibits attached thereto:

1. documentation as set forth in Paragraph IV.A, above;

2. a properly completed and executed Claim Form with the appropriate Category or Categories from 1 through 6 checked;
3. properly completed and executed Product Identification Documentation, pursuant to Paragraph III.A, above, that proves the POC DCC Breast Implant User Claimant was a Dow Corning Breast Implant User; and
4. properly completed and executed Medical Conditions Documentation, Localized Injury Documentation and/or Rupture Documentation, pursuant to Paragraphs III.B, C and D, above.

D. Advanced Claims

Only a POC DCC Breast Implant User Claimant who has not made an Expedited Claim can file a claim as an Advanced Claimant. To be approved, a POC DCC Breast Implant User Claimant must check the “Advanced Claim” option on the Claim Form and submit the following documentation to the Claims Administrator postmarked on or before the Claim and Documentation Deadline, and the information contained in the documentation must meet the criteria set forth in the Settlement Option, including the Exhibits attached thereto:

1. all documentation required for the POC DCC Breast Implant User Claimant under Categories 1 through 6 as set forth in Section IV.C, above; and
2. documentation proving that the claimant meets all the criteria to be deemed an Advanced Claimant as that term is defined in Paragraph 1.1 of the Agreement (“Advanced Claimant Documentation”). Such Advanced Claimant Documentation shall consist of an affidavit from an attorney who is a member in good standing of a bar of at least one of the states of the United States and who was counsel of record in the POC DCC Breast Implant User’s case as of May 15, 1995, stating that she meets all criteria to be an Advanced Claimant and briefly citing the controlling state law pertaining to *forum non conveniens* and choice of law, and attaching a copy of the docket sheet for such case in the state court.

E. Australian POC Raw Material Breast Implant Claims

Only an Australian POC Raw Material Breast Implant Claimant who has not filed any other claim under the Settlement Option can file a claim in this category. To be approved, an Australian POC Raw Material Breast Implant Claimant must submit the following documentation to the Claims Administrator postmarked on or before the Claim and Documentation Deadline, and the information contained in the documentation must meet the criteria set forth in the Agreement, including the Exhibits attached thereto:

1. documentation as set forth in Paragraph IV.A, above;

2. a properly completed and executed Claim Form with the Raw Material Claim option checked; and
3. properly completed and executed Level I Proof of Product Identification Documentation that proves that the Settling Australian Claimant was the recipient of one or more Breast Implant(s) containing Dow Corning Breast Implant Raw Materials.

F. Non-POC DCC Breast Implant User Claims

To be approved, a Non-POC DCC Breast Implant User Claimant must submit the following documentation to the Claims Administrator postmarked on or before the Claim and Documentation Deadline, and the information contained in the documentation must meet the criteria set forth in the Settlement Option, including the Exhibits attached thereto:

1. properly completed and executed documentation as set forth in Paragraph IV.A, above, except the Non-POC DCC Breast Implant User Claimant shall be exempt from the requirement of Subparagraph IV.A.3;
2. a properly completed and executed Claim Form with the Non-POC DCC Breast Implant User Claimant option checked; and
3. properly completed and executed Product Identification Documentation that proves that she is or was the recipient of a Dow Corning Breast Implant.

V. GENERAL APPROVAL PROCEDURES

- A. The Claims Administrator has the obligation to institute procedures to assure an acceptable level of reliability and quality control of claims and claims payments. The Claims Administrator has the authority to verify independently all information contained in the materials submitted to the Claims Administrator by or on behalf of a Settling Australian Claimant and may require (as a condition to payment of a claim) the examination of a Settling Australian Claimant by a Qualified Medical Specialist selected by the Claims Administrator. The expense of any such examination or review conducted at the request of the Claims Administrator shall be paid out of the Costs of Settlement and Administration Fund.
- B. In evaluating the authenticity, veracity or evidentiary weight of all submitted documentation, the Claims Administrator shall use a “preponderance of the evidence” standard of proof (which correlates generally with a “balance of probabilities” standard of proof).
- C. To deter potential fraud, all Claim Forms must be submitted and signed under penalties of perjury. The Claims Administrator shall institute proceedings for appropriate review and relief in the event of suspected fraud. When the Claims Administrator suspects fraud, he or she has the authority to require (as a condition to payment of a claim) the examination of the Settling Australian Claimant, additional

laboratory testing of the Settling Australian Claimant by a laboratory selected by the Claims Administrator and independent tests on explanted and/or ruptured Breast Implant(s). The expenses of any such examination or test conducted at the request of the Claims Administrator shall be paid out of the Costs of Settlement and Administration Fund. If any such test or examination supports a finding of fraud, the Claims Administrator shall deny the claim. If the Claims Administrator suspects fraud, the Claims Administrator may, in its sole discretion, seek guidance from the Supreme Court of Victoria.

- D. Unless the Claims Administrator informs and instructs the Settling Australian Claimant otherwise, the Claims Administrator shall assess each Settling Australian Claimant's claim solely on the basis of the materials submitted to the Claims Administrator by and on behalf of the Settling Australian Claimant and further information, if any, pursuant to Paragraph VI.A, above. If the Claims Administrator determines that all of the Settling Australian Claimant's forms and documentation are acceptable, timely and proper, the Claims Administrator shall approve the Settling Australian Claimant's claim.
- E. The Claims Administrator shall consider claims for approval in the order in which the Settling Australian Claimants' materials were received and deemed complete, and the Claims Administrator shall authorize payments on approved claims, either in that order or, if appropriate, by installment.
- F. The Claims Administrator shall not authorize the release of payment to any Settling Australian Claimant whose claim has been approved unless and until it has received from the Settling Australian Claimant all properly executed releases and waivers pursuant to Paragraphs 6.1 and 9.4 of the Settlement Option.
- G. The Claims Administrator may delegate, subject to his or her supervision, the implementation of these procedures to the Claims Officers.

VI. GENERAL PAYMENT GUIDELINES

- A. After evaluating the Settling Australian Claimant's claim, the Claims Administrator shall either approve, reclassify or reject the claim. If approving the claim, the Claims Administrator shall determine the Approved Australian Claimant's level or category of compensation. The Claims Administrator shall inform the Trustee and the Approved Australian Claimant of its decision in writing. The Approved Australian Claimant shall be paid by cheque either in accordance with the payment schedule set forth in Paragraphs I.B through I.D, above, or by installment. Where an Approved Australian Claimant has legal representation known to the Claims Administrator, such cheque(s) shall be made out in the names of both the Approved Australian Claimant and the legal representative and mailed to the legal representative on trust for the Approved Australian Claimant.
- B. With the exception of the provisions in Subparagraphs I.B.3 and I.D.3, above, and Subparagraph 7.1(iii) of the Settlement Option, any payment to an Approved Australian Claimant is an exclusive, sole and total payment, and under no

circumstances will the Approved Australian Claimant receive any further or increased compensation from Dow Corning or the Dow Corning/Australia Settlement Trust.

VII. APPEALS

A. Procedure

An Approved POC DCC Breast Implant User Claimant who asserted a claim under Categories 1 through 4 shall have thirty (30) days from the date she receives notification pursuant to Paragraph VI.A, above, to appeal to the Claims Review Panel on the basis of the categorization of her claim on the Medical Conditions Compensation Schedule, if it is different from the categorization for which she claimed originally. Such appeal shall be on the basis of written submissions, supported only by the documentation originally provided to the Claims Administrator. No claimant shall have any right to appeal the classification of her Product Identification Documentation. Each claimant who pursues an appeal must pay the administrative costs of the Claims Review Panel in the amount of five hundred dollars in Australian currency (\$A 500.00), except that this amount is refundable in the event the claimant wins the appeal. Appeals shall be determined by the Claims Review Panel, except that the Claims Administrator shall have the discretion to approve claims that it determines will be successful on appeal.

B. Final Decision

All decisions of the Claims Review Panel are final and binding and cannot be subject to any further appeal or revision whatsoever.

VIII. LEGAL FEES AND COSTS

A. Legal Fees

1. Pursuant to the Settlement Option, legal fees for representation of individual claimants may not exceed the amounts set forth in this Section. The schedule below sets the maximum payment legal counsel may charge a Settling Australian Claimant for representation of that claimant in relation to that claimant's Dow Corning Breast Implant Claim or Dow Corning Raw Material Breast Implant Claim. Total legal fees may not exceed:
 - a. ten percent (10%) of the first ten thousand dollars in United States currency (\$US 10,000.00) paid to an individual Settling Australian Claimant pursuant to the Agreement;
 - b. twenty-two percent (22%) of the next forty thousand dollars in United States currency (\$US 40,000.00) paid to the individual Settling Australian Claimant pursuant to the Agreement; and

- c. thirty percent (30%) of the amount in excess of fifty thousand dollars in United States currency (\$US 50,000.00) paid to the individual Settling Australian Claimant pursuant to the Agreement.
2. With respect to legal work on behalf of the Settling Australian Claimant in relation to her Breast Implant(s) but outside the scope of the Agreement, such as filing and pursuing legal action in a jurisdiction other than the U.S. Bankruptcy Court before the execution of the Agreement, counsel is not precluded by the Agreement from charging fees as appropriate under local rules except that under no circumstances will counsel's total charge for legal fees exceed one third (33.33%) of the Settling Australian Claimant's compensation under the Agreement.

B. Disbursements

Counsel may charge individual Settling Australian Claimants for individual and/or *pro rata* share of group disbursements in addition to fees.

C. Resolution of Disputes Over Legal Fees and Costs

1. Any dispute between a Settling Australian Claimant and her legal counsel over the charge for fees and disbursements shall be settled by an independent legal costs assessor (1) to be appointed by the Supreme Court of Victoria and (2) to be paid by the unsuccessful party to the dispute.
2. Any entitlement to fees of Certain Australian Counsel and other counsel for a substantial number of Settling Australian Claimants pursuant to Paragraph 8.7(ii)(c) of the Settlement Option shall be assessed by the Taxing Master of the Supreme Court of Victoria.

EXHIBIT C-1

CLAIM FORM

Any person who wants to file a claim pursuant to the Dow Corning Settlement Option Regarding the Voluntary Australian Subclass must submit the attached Claim Form.

You must complete all pages of the attached Claim Form.
Attach additional pages if space is insufficient.
Please type or print legibly in ink.

**THE INFORMATION PROVIDED IN THE ATTACHED CLAIM FORM
WILL REMAIN CONFIDENTIAL EXCEPT AS PROVIDED IN THE
DOW CORNING SETTLEMENT OPTION REGARDING
THE VOLUNTARY AUSTRALIAN SUBCLASS**

Please mail the attached Claim Form to:

Claims Administrator
Dow Corning Settlement Option Regarding
The Voluntary Australian Subclass

Melbourne, Victoria, Australia

Refer to the Settlement Option, especially Exhibit B thereto, the Claims Administration Procedures, for information regarding the terms used in this Claim Form and the documentation you are required to submit.

To preserve eligibility for benefits under the Settlement Option, a completed Claim Form and all required documentation must be submitted to the Claims Administrator by the following deadlines:

If you are an Australian Dow Corning Breast Implant User who filed a Proof of Claim as defined in the Settlement Option, and you want to be eligible to receive an Expedited Claim payment of \$A 2,000 (if you have Level I Proof of Product Identification, as defined in the Settlement Option) or \$A 500 (if you have Level II Proof of Product Identification, as defined in the Settlement Option) before any other claims are paid, you must submit this Claim Form and all other required documentation on or before the Expedited Claim Deadline of _____.

If you are making any other type of claim, you must submit this Claim Form and all other required documentation on or before the Claim and Documentation Deadline of _____.

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

1. INFORMATION REGARDING CLAIMS AGAINST DOW CORNING					
If you did not file a Proof of Claim in the U.S. Bankruptcy court, go to Number 2.					
If you filed a Proof of Claim, what is the number assigned to your claim? _____					
a.	<p>Have you ever filed an/or served a claim in any court against Dow Corning with respect to breast implant(s) or with respect to breast implant raw materials:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">No.</td> <td></td> </tr> <tr> <td style="text-align: center;">Yes.</td> <td> <p>If yes, please provide the following information regarding each claim you have filed and/or served, attaching additional pages if necessary:</p> <p>Docket or Case Number assigned to your claim:</p> <p>Date the claim was filed: _____ Date the claim was served: _____</p> <p>Name and address of the court in which the claim was filed:</p> <p>Is the case still active?</p> <p>If the case has been discontinued, deemed void, withdrawn or dismissed with prejudice to your right to bring it again, on what date did that occur?</p> </td> </tr> </table>	No.		Yes.	<p>If yes, please provide the following information regarding each claim you have filed and/or served, attaching additional pages if necessary:</p> <p>Docket or Case Number assigned to your claim:</p> <p>Date the claim was filed: _____ Date the claim was served: _____</p> <p>Name and address of the court in which the claim was filed:</p> <p>Is the case still active?</p> <p>If the case has been discontinued, deemed void, withdrawn or dismissed with prejudice to your right to bring it again, on what date did that occur?</p>
No.					
Yes.	<p>If yes, please provide the following information regarding each claim you have filed and/or served, attaching additional pages if necessary:</p> <p>Docket or Case Number assigned to your claim:</p> <p>Date the claim was filed: _____ Date the claim was served: _____</p> <p>Name and address of the court in which the claim was filed:</p> <p>Is the case still active?</p> <p>If the case has been discontinued, deemed void, withdrawn or dismissed with prejudice to your right to bring it again, on what date did that occur?</p>				

**Check the responses below that apply and provide additional information where requested.
Attach additional pages if necessary.**

2. ARE/WERE YOU A DOW CORNING BREAST IMPLANT USER?		
a.	No. If you do not or have not had any Dow Corning Breast Implants, go to Number 3.	
	If yes, please provide below the date and place of implantation of your Dow Corning Breast Implant(s), and (if known) the name and/or model of your Dow Corning Breast Implant(s). Please list both silicone and saline implants.	
	Date Hospital, City, State, Country	Name/Model
	Date Hospital, City, State, Country	Name/Model
	Date Hospital, City, State, Country	Name/Model
	Date Hospital, City, State, Country	Name/Model

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

b.	If you have been implanted with one or more Dow Corning Breast Implants, were you a participant in the Dow Corning Breast Implant Removal Assistance Program operated by Dow Corning Australia, Pty. Ltd. from 1992 through 1996?	
		Yes. If yes, please provide the following information: Date of explantation(s) _____ Date of payment _____
		No.

3. ARE/WERE YOU THE RECIPIENT OF ANOTHER TYPE OF BREAST IMPLANT(S)?

a.	No. If you have never had any non-Dow Corning silicone breast implants, go to Number 4.	
	If yes, please provide the date and place of implantation of silicone breast implant(s) <u>other than</u> Dow Corning Breast Implant(s) and (if known) the name, model and/or manufacturer of your implant(s).	
	Date	Hospital, City, State, Country
	Name/Model/Manufacturer of Implant	
	Date	Hospital, City, State, Country
	Name/Model/Manufacturer of Implant	
b.	Have you filed a claim against or registered for compensation from any other breast implant manufacturer?	
		No.
		Yes. If yes, have you received or been approved to receive compensation:
		Yes.
	No. If no, what is the status of your claim or your registration for compensation?	

4. POC DCC BREAST IMPLANT CLAIMS

(To qualify as a POC DCC Breast Implant Claimant, you must (1) be the recipient of one or more Dow Corning Breast Implant(s), and (2) have filed a Proof of Claim with the U.S. Bankruptcy Court.)

a.	ARE YOU THE RECIPIENT OF NON-DOW CORNING BREAST IMPLANT(S)? (See Number 3.a, above.)	
		No. If no, go to Numbers 4.b.
		Yes. If yes, you may make a Raw Materials Claim.
		RAW MATERIAL CLAIM If you make a Raw Material Claim, you may <u>not</u> make any other claim. Do you wish to make a Raw Material Claim?
		No. If no, go to Number 7.
		Yes. If yes, go to Number 6. If yes, submit Product Identification Documentation with this form.

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

b.	<p>EXPEDITED CLAIM. Expedited Claim Payments of \$A 2,000 (Level 1) or \$A 500 (Level 2) will be paid on or before other claims are paid. If you make an Expedited Claim you may <i>also</i> make a claim for compensation for Category 6–Rupture, below, but you may <i>not</i> make a claim for any other type of compensation. Do you wish to make an Expedited Claim?</p>			
		No. If no, go to Number 4.c.		
		Yes. If yes, go to Number 4.f.		
c.	<p>CLAIM CATEGORIES 1, 2, 3 AND 4 – DISABILITY OR SCLERODERMA/SLE. If you are <i>not</i> making an Expedited Claim, you <i>may</i> make a claim for compensation pursuant to the Medical Conditions Compensation Schedule. You may make a claim under Categories 1 through 4 <i>or</i> under Category 5. Do you wish to make a claim in Categories 1 through 4?</p>			
		No. If no, go to Number 4.d.		
		Yes. If yes, check the relevant category.		
		<p>Category-1 Disability Level A</p>		<p>Category-3 Disability Level C</p>
		<p>Category-2 Disability Level B</p>		<p>Category-4 Scleroderma/SLE</p>
<p>If you checked any of Categories 1 through 4, above, submit Medical Conditions Documentation with this form and complete the Authorization of Release of Medical Records, below. Go to Number 4.e.</p>				
d.	<p>CLAIM CATEGORY 5–LOCALIZED INJURY. If you are making an Expedited Claim, a claim in any of Categories 1, 2, 3 and 4, above, or a claim in Category 6–Rupture, you may not also make a claim for Category 5-Localized Injury. Do you wish to make a claim for Category 5-Localized Injury?</p>			
		No. If no, got to Number 4.f.		
		Yes. If yes, you must submit Localized Injury Documentation with this form and complete the Authorization of Release of Medical Records, below.		
e.	<p>ADVANCED CLAIM. An Advanced Claim must be based on a case that you filed in a state court in the United States. You <i>may</i> make this claim in addition to a claim in Categories 1 through 6, but you may <i>not</i> make this claim in addition to an Expedited Claim. Do you wish to make an Advanced Claim?</p>			
		No. If no, go to Number 4.f.		
		Yes. If yes, you must submit Advanced Claimant Documentation with this form. Go to Number 4.f.		
f.	<p>CLAIM CATEGORY 6–RUPTURE. You <i>may</i> make this claim <i>in addition to</i> an Expedited Claim <i>or</i> a claim in Category 1, 2, 3 or 4. Do you wish to make a claim for Category 6–Rupture?</p>			
		No. If no, go to Number 4.g.		
		Yes. If yes, you must submit Rupture Documentation with this form and complete the Authorization of Release of Medical Records, below.		

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

g.	ARE YOU RELATED TO ANY POC FAMILY MEMBER CLAIMANT?	
	No. If no, go to Number 6.	
	Yes. If yes, for each POC Family Member Claimant to whom you are related, please provide the following information:	
	Name	Relationship
	Address	
	That POC Family Member's Proof of Claim Number	
<p>5. NON-POC DCC BREAST IMPLANT USER CLAIMS</p> <p>If you are (1) a Dow Corning Breast Implant User, but you (2) did <u>not</u> file a Proof of Claim in the U.S. Bankruptcy Court, you still may be eligible for compensation under the Settlement Option as a Non-POC DCC Breast Implant User Claimant.</p>		
a.	ARE YOU A DOW CORNING BREAST IMPLANT USER? (See Number 2, above.)	
	No. If no, go to Number 7.	
	Yes. If yes, to make a claim as a Non-POC DCC Breast Implant User Claimant, attach Product Identification Documentation to this form. Go to Number 7.	
<p>6. AUTHORIZATION OF RELEASE OF MEDICAL RECORDS</p> <p>If you are making a claim in Categories 1 through 6, you must complete this authorization.</p>		
<p>For purposes of deferring potential fraud and as is consistent with Paragraph VI.C of Exhibit B to the Agreement, pursuant to this direction, I hereby authorize and direct the release to the Claims Administrator of any medical information or records held by any person concerning (1) the identity or identities of the manufacturer or manufacturers of any and all breast implants I have had, (2) any and all breast implant surgery or surgeries I have had, (3) any and all injuries, illnesses and other medical problems allegedly related to any and all breast implants I have had, and (4) any and all injuries, illnesses and other medical problems that predated any breast implantation I have had. For such release, this "Authorization of Release of Medical Records" shall be good and sufficient authority.</p>		
Signature of Witness		Signature of Claimant or Representative
Name of Witness (type or print)		Date Signed

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

7. IDENTIFICATION OF PERSON SIGNING THIS CLAIM FORM	
<p>I am the above-identified claimant or the guardian, custodian, executor, administrator or court-appointed representative of the above-identified registrant (or her estate). I am signing this Claim Form to make a claim for benefits under the Australia Dow Corning Breast Implant Settlement Agreement. In taking the actions necessary to become a member of the Voluntary Australian Subclass and to submit a claim or claims under the Settlement Option, I also agree to submit to the jurisdiction of the Supreme Court of Victoria for purposes of the administration of the Settlement Option. With this Claim Form, as required under the Agreement, I am attaching (check all that apply):</p>	
<p>_____ Proofs of Residency or Place of Implantation</p> <p>_____ Product Identification Documentation</p> <p>_____ Medical Conditions Documentation</p> <p>_____ Localized Injury Documentation</p> <p>_____ Rupture Documentation</p>	<p>_____ Advanced Claimant Documentation</p> <p>_____ Release and Indemnification of Dow Corning and the Released Parties</p> <p>_____ Release of Trustees, <u>et al.</u></p>
<p>If you are the representative of a claimant and not the claimant herself, please provide the following:</p> <p>Name _____ Title _____</p> <p>Mailing Address _____</p> <p>Telephone Number _____</p>	
<p>I declare under penalty of perjury that the information in this Claim Form and in any additional materials submitted with it is true, correct and complete to the best of my knowledge, information and belief.</p>	
<p>Date Signed</p>	<p>Signature of Claimant or Representative</p>

EXHIBIT C-2

**SOLICITOR'S CERTIFICATE
OF INDEPENDENT LEGAL ADVICE**

**(To be submitted to Claims Administrator
on or before the Claim and Documentation Deadline)**

I, _____, Solicitor, hereby certify that:

I am a solicitor holding a current practicing certificate under which I am entitled to practice in _____;

I represent the Settling Australian Claimants whose names are listed on Attachment 1 to this Certificate;

I obtained a copy of the Dow Corning Settlement Option Regarding the Voluntary Australian Subclass ("Settlement Option or "Agreement") and prior to each such Settling Australian Claimant's signing of a Ballot Form pursuant to the Settlement Option (and, therefore, also prior to each such Settling Australian Claimant's signing of a Claim Form pursuant to the Settlement Option), I explained to each such Settling Australian Claimant and provided legal advice regarding the nature and effect of the terms of the Settlement Option. That explanation and advice included:

- a. the claimant's rights and obligations under the Settlement Option if she or he registers to participate in the Settlement Option, including the effect of the releases and indemnities contained in the Settlement Option and accompanying forms and exhibits;
- b. the claimant's rights (if any) to recover compensation from Dow Corning and/or the Released Parties for claims arising out of or relating to breast implants and/or breast implant raw materials if she or he does not register to participate in the Settlement Option;
- c. the procedures under the Settlement Option for the assessment of the claimant's claim and compensation;
- d. the deadlines for the submission by the claimant of documents required by the Settlement Option and the implications if those deadlines are not met; and
- e. the importance of making full disclosure to the Claims Administrator of all information regarding claimant's breast implant surgeries, the identity(ies) of the manufacturer(s) of her breast implant(s), her medical condition(s) allegedly related to her breast implant(s), other claims she may have or had related to her breast implant(s), any POC Family Member Claims of which she is aware that relate to her breast implant(s), and the

consequences that may result if such information is not revealed to the Claims Administrator.

I am satisfied that each of the Settling Australian Claimants whose names are listed on Attachment 1 hereto has decided freely, voluntarily and with an understanding of the terms of the Settlement Option to participate in the Voluntary Australian Subclass pursuant to the Settlement Option and to submit to the jurisdiction of the Supreme Court of Victoria for purposes of the administration of the Settlement Option.

Signed at _____
this _____ day of _____, 1999
Solicitor's Address *(Please type or print)*

Solicitor's Name *(Please type or print)*

Attach List of Settling Australian Claimants as Attachment 1 hereto.

EXHIBIT C-3

**AFFIDAVIT OF UNREPRESENTED
SETTLING AUSTRALIAN CLAIMANT**

(To be submitted only by Settling Australian Claimants who are not represented by counsel, or whose counsel has not submitted a Solicitor's Certificate of Independent Legal Advice regarding their claim.)

RE: _____
Name of Settling Australian Claimant (Please type or print)
Date of Birth _____
Number of Proof of Claim, if any _____

I, _____, of the City of _____, in _____, make this oath and say as follows:

1. I have agreed to participate in the settlement embodied as the "Dow Corning Settlement Option Regarding the Voluntary Australian Subclass" ("Settlement Option" or "Agreement") for myself or on behalf of a deceased claimant or her estate and am asserting a _____ (type of claim[s] [see Claim Form]) thereunder. To the best of my knowledge and belief I am eligible to participate in the Settlement Option.

2. I have received the Disclosure Statement of the Confirmed Plan of Reorganization. I have read the Disclosure Statement and have had the opportunity to request a copy of the Settlement Option, and I understand its terms.

3. I have had the opportunity to obtain independent legal advice, but have declined to do so.

4. I understand that by signing and submitting the Ballot Form, I have agreed to participate as a member of the Voluntary Australian Subclass, to be bound by the terms of the Settlement Option, and to submit to the jurisdiction of the Supreme Court of Victoria for purposes of the administration of the Settlement Option. I understand that I will be bound by the Settlement Option, including the Release, regardless of the outcome of my claim under the Settlement Option.

5. I understand that there are deadlines in the Settlement Option for the submission of documents in relation to my claim, and that my right to receive compensation under the Settlement Option may be lost or restricted if I do not meet those deadlines.

6. If I am making a claim for compensation for a Designated Medical Condition under Categories 1 through 6 for myself or a deceased claimant or her estate, I have completed the Authorization of Release of Medical Records in Section 6 of the Claim Form to enable the Claims Administrator to review the relevant medical records to confirm the identity(ies) of the manufacturer(s) of my/her breast implant(s); to obtain information regarding (all) my/her breast implant surgery(ies); to obtain information regarding any and all injuries, illnesses and other medical

problems allegedly related to my/her breast implant(s); and to obtain information regarding any and all injuries, illnesses and other medical problems that predated the implantation of my/her breast implant(s).

7. I make this affidavit and, if I am making a claim for compensation for a Designated Medical Condition under Categories 1 through 6, execute the Authorization of Release of Medical Records, in order to provide the Claims Administrator with a complete record for the review of the claim and to help calculate the compensation, if any, to which I or the deceased claimant I represent may be entitled under the Settlement Option.

8. All the information contained in and/or submitted with the Claim Form that I have submitted to the Claims Administrator is true and complete to the best of my knowledge and belief.

Signature of Settling Australian Claimant or
Representative, if Settling Australian Claimant is Deceased

SWORN BEFORE ME

At the City of _____ in the Country of _____ this _____ day
of _____.

Signature of Witness _____

Name of Witness _____
(Please type of print)

Address of Witness

Occupation of Witness

EXHIBIT D-1

**DEED OF
RELEASE AND INDEMNIFICATION OF
DOW CORNING AND THE RELEASED PARTIES**

Re: _____
Settling Australian Claimant (*Please type or print*)
Number of Proof of Claim, if any _____

This deed of release and indemnification (“Release”) is executed by _____ who is a member of the Voluntary Australian Subclass as that term is defined in the Dow Corning Settlement Option Regarding the Voluntary Australian Subclass, dated February __, 1999 (the “Settlement Option” or Agreement”) or her authorized representative.

WHEREAS, the Settling Australian Claimant named above is or was a recipient of one or more Dow Corning Breast Implants or of one or more breast implants that contain or contained Dow Corning Breast Implant Raw Materials;

WHEREAS, the Settling Australian Claimant alleges that she has suffered injury or harm caused by, arising out of or related to her Dow Corning Breast Implant(s) and/or Dow Corning Breast Implant Raw Materials, and/or POC Family Member Claimants to whom she is related allege injury or harm caused by, arising out of or related to her Dow Corning Breast Implant(s) or Dow Corning Breast Implant Raw Materials;

WHEREAS, the Settlement Option is part of and is effective upon the effective date of the Confirmed Plan of Reorganization;

WHEREAS, the Settlement Option requires a Settling Australian Claimant to execute this Release and Indemnification of Dow Corning and the Released Parties in order to make a claim under and to qualify to receive any benefits pursuant to the Settlement Option;

NOW THEREFORE, as consideration for the opportunity to participate in and benefits provided by the Settlement Option, the Settling Australian Claimant on behalf of herself and any POC Family Member Claimant(s) to whom she is related, releases Dow Corning and the Released Parties as follows:

RELEASE AND INDEMNIFICATION

I. DEFINITIONS

As used in this Release, including the preceding recitals, initially capitalized terms not defined in this Release shall have the meanings set forth in the Settlement Option. Where the context so indicates or requires, each defined term stated in the singular includes the plural, and each defined term stated in the plural includes the singular. Where the context so indicates or requires, feminine pronouns and female references include the masculine, and masculine pronouns and male references include the feminine.

For purposes of the Agreement and this Release, “Released Parties” means Dow Corning Corporation, Dow Corning Wright, Dow Corning Australia Pty. Ltd., Dow Corning New Zealand, Ltd., The Dow Chemical Company, Corning Incorporated, Dow Holdings, Inc., Hemlock Semiconductor Corporation, SDC Technologies, Inc., Dow Corning Toray Silicone Co., Ltd., and, for each of the aforementioned, their predecessors, successors, subsidiaries, officers, directors, employees, divisions, affiliates, representatives, attorneys and assigns, the Settling Insurers, and, for purposes of this Settlement Option only, any insurer that, having been tendered claims submitted pursuant to this Agreement, actually makes payments reimbursing Dow Corning for the scheduled payments of the Total Settlement Amount.

II. EXCLUSIVE REMEDY

The Settling Australian Claimant agrees that the Settlement Option provides the sole and exclusive remedy for any claims arising out of or related to Dow Corning Breast Implant(s) or Dow Corning Breast Implant Raw Materials that were or might have been brought in the past, present or future against Dow Corning and/or the Released Parties. The Settling Australian Claimant agrees further that regardless of the outcome of her claim under the Settlement Option any compensation approved under the Agreement to be paid to the Settling Australian Claimant constitutes the sole and total compensation to the Settling Australian Claimant for any claims arising out of or related to Dow Corning Breast Implant(s) or Dow Corning Breast Implant Raw Materials that were or might have been brought in the past, present or future against Dow Corning and/or the Released Parties.

III. NO INVOLVEMENT BY DOW CORNING

The Settling Australian Claimant acknowledges that Dow Corning and/or the Released Parties shall not have any involvement in the apportionment of the Total Settlement Amount as between the Settling Australian Claimant and other Settling Australian Claimants, nor any involvement in or responsibility for the actual disbursement of any sum to the Settling Australian Claimant.

IV. WAIVER, RELEASE, INDEMNIFICATION AND DISCHARGE

By virtue of the valuable consideration referred to in the Settlement Option, including, but not limited to, the Settling Claimant’s opportunity to participate in the Settlement Option, the payment of the Total Settlement Amount by Dow Corning, the Settling Australian Claimant’s share of the Total Settlement Amount (if any) as determined by the Claims Administrator, and as reflected herein, every claim arising out of or related in any way to such Settling Australian Claimant’s Dow Corning Breast Implant(s) and/or Dow Corning Breast Implant Raw Materials that such Settling Claimant, or POC Family Member Claimants who are related to such Settling Australian Claimant, has, had or may have in the future, is, was or will be conclusively compromised, settled, deemed void, released and discharged as of the Effective Date, as that term is defined in the Settlement Option, and as of the Effective Date the Settling Australian Claimant, on behalf of herself and any POC Family Member Claimants to whom she is related, forever releases, indemnifies and discharges Dow Corning and the Released Parties from any past, present and future claim, action, demand or liability of any nature whatsoever brought by any party relating to any Breast Implant and/or breast implant component raw material.

V. WARRANTIES

The Settling Claimant warrants that she:

- A. has received or has had the opportunity to receive independent legal advice as to the nature, effect and extent of both the Settlement Option and this Release;
- B. has not been made any payment, promise, representation or inducement by Dow Corning and/or the Released Parties or any person acting on behalf of Dow Corning and/or the Released Parties other than as part of the Dow Corning Breast Implant Removal Assistance Program and/or as set forth in the Settlement Option and this Release; and
- C. has provided true and correct information in the Ballot Form, the Claim Form and any other documents or materials that she submitted to the Claims Administrator.

VI. NO ADMISSION

Both this Release and the Settlement Option to which it relates are a result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility of Dow Corning and/or the Released Parties for any claims arising out of or relating in any way to any Breast Implant and/or breast implant component raw material.

VII. USE OF THIS RELEASE

This Release may be pleaded as a full and complete defense and/or indemnification by Dow Corning and/or the Released Parties to any action, suit or proceeding initiated or pursued by or connected to the Settling Australian Claimant or the POC Family Member Claimant in connection with any claim arising out of or relating in any way to any Breast Implant and/or breast implant component raw material.

VIII. EXECUTION

This Release will be executed by the Settling Australian Claimant and delivered to the Claims Administrator, who shall deliver it to Dow Corning pursuant to the provisions of Subparagraph 6.1(ii) of the Settlement Option.

IX. AUTHORITY

The Settling Australian Claimant or the individual who has executed this Release on behalf of the Settling Australian Claimant expressly represents and warrants that she or he is fully authorized to sign on behalf of such Settling Australian Claimant and POC Family Member Claimants who are related to such Settling Australian Claimant for the purpose of duly binding such Settling Australian Claimant and such POC Family Member Claimants.

IN WITNESS WHEREOF, this release and indemnification consisting of five (5) pages has been executed as a deed by the Settling Australian Claimant or her duly authorized representative as of the date set forth below.

Signed as a Deed

Dated _____

By _____

(Signature of Settling Australian
Claimant or Her Authorized
Representative)

Address _____

(Please print or type)

Name _____

(Please print or type)

Witnessed by _____

(Signature of Witness)

Name of Witness

(Please print or type)

Date _____

Address _____

Occupation _____

EXHIBIT D-2

**RELEASE OF TRUSTEE, CLAIMS ADMINISTRATOR,
CLAIMS OFFICERS AND CLAIMS REVIEW PANEL MEMBERS**

Name: _____
(Please type or print)

Address: _____

I have read this release and agree with everything in it.

Signed: _____ / ____ / ____
Signature

Witnessed by: _____
Full Name of Witness
(Please type or print)

Background

For purposes of the Dow Corning Settlement Option Regarding the Voluntary Australian Subclass (“Settlement Option” or the “Agreement”), I am a Settling Australian Claimant or the duly authorized representative of a Settling Australian Claimant. Pursuant to the Settlement Option, the Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members have responsibility for processing, evaluating and paying claims under the Agreement.

Release

In consideration of the right to participate in the Settlement Option and the benefits provided by it, I release the Trustee, Claims Administrator, Claims Officers and Claims Review Panel Members from any liability arising out of or in relation to the Settlement Option or the subject matter of the Settlement Option, including liability for negligence.

Authorization

If, for the purposes of the Settlement Option, I am the authorized representative of a Settling Australian Claimant, I am authorized by the Settling Australian Claimant to give this release on her behalf.

If for the purposes of this Settlement Option there are POC Family Member Claimants who are related to me or the Settling Australian Claimant represented, I give this release on their behalf as well, and am authorized by them to do so.

EXHIBIT E

APPENDIX A TO CHAPTER 1 OF THE RULES OF THE SUPREME COURT

[Appendix A subst SR 155 of 1995 r 9 opn 1 Jan 1996; am SR 19 of 1996; SR 150 of 1998 r 5]

For scale of costs applicable from 1 January 1995 to 31 December 1995, see Column 1.

For scale of costs applicable from 1 January 1996 to 31 December 1996, see Column 2.

For scale of costs applicable from 1 January 1997 to 31 December 1998, see Column 3.

For scale of costs applicable from 1 January 1999 to date, see Column 4.

SCALE OF COSTS

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

INSTRUCTIONS

1. To institute or defend any originating proceeding (including a petition) or appeal, or to make or oppose any motion or application in the Court in its probate jurisdiction or under the Companies (Victoria) Code or the Corporations Law	155.00	161.00	168.00	176.00
2. To make or oppose any interlocutory application not otherwise provided for	37.00	38.00	40.00	42.00
3. For statement of claim whether indorsed on writ or third party notice or served separately, or counterclaim	77.00	80.00	83.00	87.00
4. For any other pleading, particulars in lieu of pleading or amended pleading	37.00	38.00	40.00	42.00
5. For counsel to advise or give an opinion	37.00	38.00	40.00	42.00
6. For counsel to make an interlocutory application where no other brief	37.00	38.00	40.00	42.00
7. For interrogatories, answers to interrogatories, oral examination for discovery, affidavit or other document for filing on an interlocutory application other than a short, format affidavit or other document .	77.00	80.00	83.00	87.00
8. For a necessary document not otherwise provided for, such fee as may be reasonable in the circumstances.				

No allowance for instructions shall be made under the above items where an allowance for the work is claimed in detail and allowed on that basis.

Instead of the fees for instructions above, such larger sum may be allowed as the Taxing Master thinks reasonable in the circumstances.

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

9. Instructions for brief on trial of proceedings, including an assessment of damages or value or a trial before special referee, or an appeal, such allowances as the Taxing Master thinks reasonable in the circumstances.

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

ORIGINATING PROCESS

10. Writ or originating motion or summons (where filed as originating process)	88.00	91.00	95.00	100.00
11. If any of the above exceed three folios (when not drawn by counsel) for each extra folio	15.00	16.00	17.00	18.00

The above allowances include all indorsements of claim, copy for filing and one copy for service and attendance to file, but not Court fees.

CORPORATIONS LAW SHORT FORM BILL

11A. Costs of obtaining a winding-up order up to and including authentication, filing and service of the order under section 470 of the Corporations Law and the obtaining from the Taxing Master of an order as to costs	1750.00	1854.00	1929.00	2021.00
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Additional costs are allowable for any adjournment in accordance with item 34 or 35 for any adjournment in respect of which costs have been reserved by the Court.

INTERLOCUTORY PROCESS

12. Summons before Judge or Master	77.00	80.00	83.00	87.00
13. Subpoena	46.00	48.00	50.00	52.00
If a subpoena exceeds three folios, for each extra folio	6.00	6.20	6.50	6.80

These allowances include preparation of document, copy for filing and one copy for service and attendance to file.

EXECUTION PROCESS

14. Warrant of execution	88.00	91.00	95.00	100.00
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This allowance includes preparation of the warrant, copy for filing and one copy for service and attendance to file.

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

NOTICES AND MEMORANDA

15. Notice to produce or any other necessary or proper notice or memorandum not otherwise provided for, or any demand	30.00	31.00	32.00	34.00
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This allowance does not apply to a short notice or memorandum indorsed on another document, but an allowance may be made therefor as part of the allowance for the document.

16. If the notice is special, or necessarily exceeds three folios, for each folio	15.00	16.00	17.00	180.00
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The above allowances include preparation of the notice and one copy for filing or service.

APPEARANCE

17. Preparing and attending filing notice of appearance (including one copy for service)	54.00	56.00	58.00	61.00
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18. (a) Pleadings, including petitions, indorsement constituting statement of claim on writ or third party notice, including particulars	77.00	80.00	83.00	87.00
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(b) If exceeding three folios, for each extra folio	15.00	16.00	17.00	18.00
---	-------	-------	-------	-------

19. Any other necessary document, per folio	15.00	16.00	17.00	18.00
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No allowance is to be made to a solicitor for drawing a document drawn by counsel, but a fee may be allowed for drawing matter necessary to instruct counsel.

In allowing for drawing, the Taxing Master may disallow anything which is a repetition or adaptation of matter for the drawing of which allowance has otherwise been made in the proceeding. The Taxing Master may increase these allowances if in the circumstances he thinks it reasonable to do so.

20. For preparing each exhibit	3.00	3.10	3.20	3.40
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ENGROSSMENT AND COPIES

21. Engrossment of documents, per folio	3.00	3.10	3.20	3.40
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**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

		Col 1	Col 2	Col 3	Col 4
		1.1.95	1.1.96	1.1.97	1.1.98
		to	to	to	to
		31.12.95	31.12.96	31.12.98	date
		\$	\$	\$	\$
22.	(a) Copy or photocopy of document, per page	1.20	1.20	1.20	1.20
	(b) Reproduction of documents from microfiche, microfilm or like process, per page, the actual cost or	1.20	1.20	1.20	1.20
23.	Where under the Rules or any order of the Court or for other sufficient cause any document is printed out and it would not have been reasonable to send the original to the printer, a copy for the printer shall be allowed, per page	1.20	1.20	1.20	1.20
24.	Where more than ten copies of the same document are required, the amount actually and properly paid to a printer (in addition to all necessary attendances on the printer), or, if reproduced by the solicitor, the equivalent amount or such lesser amount as the Taxing Master considers fair and reasonable having regard to commercial rates for similar services, shall be allowed.				

Where it is necessary to print any part of a document in a foreign language, or as a facsimile, or in any unusual or special manner, or where any alteration in the document printed becomes necessary after the first proof, such further allowance shall be made as the Taxing Master thinks reasonable.

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

PERUSALS

25. Of all pleadings, amendments of pleadings (which exceed three folios), third party notices, interrogatories, answers thereto, transcripts of discovery by oral examination, notices, affidavits, draft orders submitted for approval by another party, drafts of documents to be settled by an officer of the Court, orders (unless an allowance has been made previously for perusal of a draft), opinions or advices of counsel where requested, bills of costs necessarily perused by the solicitor for the party on whom is was served	24.00	25.00	26.00	27.00
Or per folio	3.40	3.50	3.60	3.80
26. Of all other documents, including deeds, correspondence (including incoming correspondence), exhibits, per folio	2.60	2.70	2.80	2.90
If the solicitor is or ought to be familiar with the contents of the document or if it is not necessary to read all of it carefully, the Taxing Master shall allow such smaller amount as he thinks reasonable. No allowance shall be made for the solicitor perusing letters which he receives unless the Taxing Master considers there are special circumstances for doing so.				
27. Alternatively, for examining a document or checking a proof of print or examining an appeal book.				
Solicitor, per quarter hour	37.00	38.00	40.00	42.00
Clerk, per quarter hour	22.00	23.00	24.00	25.00

SERVICE

28. Service of any document where necessary, and not able to be serve by post	36.00	37.00	39.00	41.00
Or such charge as is reasonable having regard to the number of necessary attendances, the time taken, the distance travelled and any expense incurred.				

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

29. Where by reason of the location of the person to be served it is proper to effect service through an agent, instead of an allowance for service—

(a)	for correspondence with the agent	24.00	25.00	26.00	27.00
(b)	the amount actually and reasonably charged by the agent.				

Where more than one attendance is necessary to effect service, or to ground an application for substituted service, the Taxing Master may make such further allowance under items 28 and 29 as he thinks reasonable.

For service out of Victoria, the Taxing Master shall make such allowance as he thinks reasonable.

30.	Service of document on a party by filing or leaving at the office of his solicitor or other address for service, where that mode of service is necessary	22.00	23.00	24.00	25.00
31.	Service of document on a party by post or leaving at document exchange	12.00	12.00	12.00	13.00

Only one fee for service shall be allowed where two or more documents are or could have been served together.

ATTENDANCES

32.	(a)	On counsel with brief on trial of proceeding, including an assessment of damages or value or a trial before a special referee or on appeal	47.00	49.00	51.00	53.00
	(b)	On counsel with any other brief or papers or to appoint consultation or conference (including all attendances to settle counsel's fees)	30.00	31.00	32.00	34.00

	Col 1	Col 2	Col 3	Col 4	
	1.1.95	1.1.96	1.1.97	1.1.98	
	to	to	to	to	
	31.12.95	31.12.96	31.12.98	date	
	\$	\$	\$	\$	
33. (a)	On consultation or conference with counsel	77.00	80.00	83.00	87.00
(b)	Where a consultation or conference occupies more than one half hour, if the Taxing Master thinks it reasonable, for each subsequent half hour	77.00	80.00	83.00	87.00
(c)	If the solicitor does not attend personally, the allowance shall be as the Taxing Master thinks reasonable, but not exceeding, for—				
	the first half hour	37.00	38.00	40.00	42.00
	each half hour thereafter	37.00	38.00	40.00	42.00
34.	On any application or attendance before a Judge, a Master or the Taxing Master, Listing Master, or Prothonotary, examination of a witness, discovery by oral examination, assessment of damages or value, trial or inquiry trial of a proceeding or hearing of an appeal, where in list or likely to be heard	77.00	80.00	83.00	87.00
35. (a)	At trial or hearing, for each hour	155.00	161.00	168.00	176.00
	But, according to circumstances, not to exceed per day of six hours (including luncheon and dinner adjournments)	743.00	771.00	802.00	840.00
	or,				
	if attended by clerk	370.00	384.00	400.00	419.00
(b)	To hear reserved judgment, for each half hour	77.00	80.00	83.00	87.00
(c)	By appointment or on short or formal application to a Judge or Master or the Taxing Master, Listing Master or Prothonotary	77.00	80.00	83.00	87.00
36.	Where in the opinion of the Taxing Master the attendance of two principals or of a solicitor and clerk at trial is necessary, an additional allowance may be made not exceeding per day of six hours (including luncheon and dinner adjournments)	743.00	771.00	802.00	840.00
37.	To settle judgment or order, per half hour	77.00	80.00	83.00	87.00

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

38. In addition to reasonable expenses for travel and sustenance, allowance may be made for a solicitor travelling to a place more than 50 kilometers distant from his place of residence or business where—

(a) the journey was necessary and proper for the purpose of the proceeding and what was done by the solicitor could not have been done satisfactorily by an agent; and

(b) the solicitor was necessarily absent from his office, and for that time no charge could otherwise be made, and having regard to what other allowances may be made to the solicitor in the proceeding

Not exceeding per day

If the journal is not undertaken solely for the purpose of the proceeding, the Taxing Master may allow a proportion of the fee as he thinks reasonable.	743.00	771.00	802.00	840.00
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39. To file or lodge any document, to obtain an appointment from an officer of the Court, or to insert an advertisement or other attendance of a similar nature capable of performance by a junior clerk

22.00	23.00	24.00	25.00
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40. If the exercise of skill or legal knowledge is involved so as to require the personal attendance of the solicitor, per quarter hour

37.00	38.00	40.00	42.00
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Or, if attendance by the solicitor's clerk, per quarter hour

22.00	23.00	24.00	25.00
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Or such larger amount as the Taxing Master thinks reasonable having regard to the importance or difficulty of the subject-matter of attendance.

41. Making an appointment or similar attendance by telephone, at the discretion of the Taxing Master

9.50	9.90	10.00	10.00
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42. Arranging attendance of a witness or any attendance for which no other provision is made, per quarter hour

22.00	23.00	24.00	25.00
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43. Sending or receiving telex, telegram or facsimile documents

22.00	23.00	24.00	25.00
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Or such larger amount as is reasonable in the circumstances having regard to the length.

**Voluntary Australian Subclass
Claim Form**

Name of Claimant: _____

Col 1	Col 2	Col 3	Col 4
1.1.95	1.1.96	1.1.97	1.1.98
to	to	to	to
31.12.95	31.12.96	31.12.98	date
\$	\$	\$	\$

CORRESPONDENCE

44. Letter making an appointment or forwarding document without explanation or the like	11.00	11.00	11.00	12.00
45. Letter, ordinary	19.00	20.00	21.00	22.00
46. Letter, special	27.00	28.00	29.00	30.00

Or such amount as the Taxing Master thinks reasonable.

47. Circular letter, after the first	7.50	7.80	8.10	8.50
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For each additional page after the first page, the photocopying charge shall apply.

The above allowances include the standard surface rate of postage, but, if any communication is necessarily made by telex, telegram or transmission of a facsimile, the appropriate statutory charges may be allowed as a disbursement.

48. Where any agent is employed, for correspondence with the agent which the Taxing Master thinks reasonable, per quarter of the year	37.00	38.00	40.00	42.00
	to	to	to	to
	155.00	161.00	168.00	176.00

Or, if special or extensive, in the discretion of the Taxing Master.