

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

<b>In re:</b>	)	<b>Case No. 04-63788*</b>
	)	
<b>TECHNEGLAS, INC.,*</b>	)	<b>Chapter 11</b>
	)	
<b>Debtor.</b>	)	<b>Judge John E. Hoffman, Jr.</b>
	)	

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<b>In re:</b>	)	<b>Case No. 04-63851</b>
	)	
<b>NIPPON ELECTRIC GLASS OHIO, INC.,</b>	)	<b>Chapter 11</b>
	)	
<b>Debtor.</b>	)	<b>Judge John E. Hoffman, Jr.</b>
	)	

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<b>In re:</b>	)	<b>Case No. 04-63847</b>
	)	
<b>NIPPON ELECTRIC GLASS AMERICA, INC.,<sup>‡</sup></b>	)	<b>Chapter 11</b>
	)	
<b>Debtor.</b>	)	<b>Judge John E. Hoffman, Jr.</b>
	)	

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**FIRST AMENDED JOINT PLAN OF REORGANIZATION OF THE DEBTORS PURSUANT  
TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

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**August ~~21~~, 22, 2005**

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**FIRST AMENDED JOINT PLAN OF REORGANIZATION OF THE DEBTORS PURSUANT  
TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

Techneglas, Inc. (“Techneglas”), Nippon Electric Glass Ohio, Inc. (“NEG Ohio”), and Nippon Electric Glass America, Inc. (“NEG America”), as debtors and debtors in possession (collectively, the “Debtors”), hereby propose the following First Amended Joint Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code.

**ARTICLE I.  
RULES OF INTERPRETATION, COMPUTATION OF TIME, AND DEFINITIONS**

**A. RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW**

1. For purposes of the Plan: (a) Whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and each pronoun, whether stated in the masculine, feminine or neutral gender, shall include the masculine, feminine and the neutral gender; (b) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit as Filed, or to be Filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented; (d) unless otherwise specified, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (e) the words herein and hereto refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

2. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

**B. DEFINITIONS**

As used in the Plan, the following terms shall have the respective meanings specified below and be equally applicable to the singular and plural of terms defined:

1. Administrative Expense Claim: Any Claim constituting a cost or expense of administration of the Chapter 11 Cases asserted under sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the respective estate of each Debtor, any actual and necessary costs and expenses of operating the businesses of any of the respective Debtors in Possession, any indebtedness or obligations incurred or assumed by any of the respective Debtors in Possession in connection with the administration and implementation of the Plan, the administration, prosecution or defense of Claims by or against any of the respective Debtors and for distributions under the Plan, any Claims for compensation and reimbursement of expenses arising during the period from and after the Petition Date and prior to the Effective Date or otherwise in accordance with the provisions of the Plan, any Professional Compensation and Reimbursement Claims and any fees or charges assessed against any of the respective Debtors’ estates pursuant to 28 U.S.C. § 1930.

2. Affiliate: Any Entity that is an “affiliate” of any of the respective Debtors within the meaning of section 101(2) of the Bankruptcy Code.

3. Allowed: With respect to any Claim or Interest, except as otherwise provided herein: (a) a Claim or Interest that has been or is hereafter listed by any of the respective Debtors in their respective Schedules as other than disputed, contingent or unliquidated and as to which any of the Debtors has not Filed an objection; (b) a Claim or Interest that either is not a Disputed Claim or Interest or has been allowed by a Final Order; (c) a Claim or Interest that is allowed: (i) in any stipulation with any of the respective Debtors of amount and nature of Claim or Interest executed prior to the Confirmation Date and approved by the Bankruptcy Court; (ii) in any stipulation with the appropriate Debtor of amount and nature of Claim or Interest executed on or after the Confirmation Date; or (iii) in or pursuant to any contract, instrument, indenture or other agreement entered into or assumed in connection herewith; (d) a Claim or Interest relating to a rejected executory contract or unexpired lease that either (i) is not a Disputed Claim or Interest or (ii) has been allowed by a Final Order, in either case only if a proof of Claim or Interest has been Filed by the Claims Bar Date or has otherwise been deemed timely Filed under applicable law; or (e) a Claim or Interest that is allowed pursuant to the terms hereof.

4. Allowed . . . Claim: A Claim in the particular Class described that is Allowed as defined herein.

5. Allowed . . . Interest: An Interest in the particular Class described that is Allowed as defined herein.

6. Assets: All assets of any of the respective Debtors, the Reorganized Debtors, or the Post Confirmation Entity, as the case may be, of any nature whatsoever, including, without limitation, the property of the Estate of any one Debtor pursuant to section 541 of the Bankruptcy Code, Cash, Cash Equivalents, Bankruptcy Causes of Action, and claims of right, interests and property, real and personal, tangible and intangible.

7. Ballot: The form distributed to each Holder of an impaired Claim on which is to be indicated acceptance or rejection of the Plan.

8. Balloting Agent: For Techneglas, BMC Group, 1330 East Franklin Avenue, El Segundo, California 90245, (888) 909-0100; for NEG Ohio, Kenneth R. Cookson, Esq., Kegler, Brown, Hill & Ritter, 54 East State Street, Ste. 1800, Columbus, Ohio 43215; for NEG America, Christopher B. Wick, Esq., Hahn Loeser & Parks LLP, 3300 BP Tower, 200 Public Square, Cleveland, Ohio 44114-2301.

9. Bankruptcy Causes of Action: All claims, actions, causes of action, chooses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims (including, but not limited to, all claims and any avoidance, recovery, subordination or other actions against insiders and/or any other Entities under the Bankruptcy Code, including sections 506, 510, 542, 543, 544, 545, 547, 548 549, 550, 551, and 553 of the Bankruptcy Code or otherwise) of any of the respective Debtors, the Debtors in Possession, and/or any Reorganized Entity (including, but not limited to, those actions listed in ARTICLE VI.F below) that are or may be pending on the Effective Date or instituted on behalf of any of the Reorganized Debtors or the Post Confirmation Entity, after the Effective Date against any Entity, based in law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order.

10. Bankruptcy Code: Title 11 of the United States Code, as applicable to the Chapter 11 Cases.

11. Bankruptcy Court: The United States Bankruptcy Court for the Southern District of Ohio or such other court having jurisdiction over the Chapter 11 Cases.



12. Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure, as promulgated by the United States Supreme Court under 28 U.S.C. § 2075 and any Local Rules of the Bankruptcy Court, as amended.

13. Business Day: Any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

14. Cash Equivalents: Equivalents of Cash in the form of readily marketable securities or instruments issued by a person other than any of the Debtors, including, without limitation, readily marketable direct obligations of, or obligations guaranteed by, the United States of America, commercial paper of domestic corporations carrying a Moody’s Rating of “A” or better, or equivalent rating of any other nationally recognized rating service, or interest-bearing certificates of deposit or other similar obligations of domestic banks or other financial institutions having a shareholders’ equity or equivalent capital of not less than One Hundred Million Dollars (\$100,000,000), having maturities of not more than one (1) year, at the then best generally available rates of interest for like amounts and like periods.

15. Cash: Lawful currency of the United States of America.

16. Causes of Action: Except as otherwise provided in the Plan, the Confirmation Order or any document, instrument, release or other agreement entered into in connection with the Plan, all claims, actions, choses in action, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, controversies, variances, trespasses, damages, judgments, third-party claims, counterclaims and cross claims including, but not limited to, all Bankruptcy Causes of Action of any of the respective Debtors, the Debtors in Possession and/or the Estates (including, but not limited to, those actions listed in the Disclosure Statement and the Plan) that are or may be pending on the Effective Date or instituted by the Post Confirmation Trustee, the Reorganized Debtors or NEG Distribution NewCo, after the Effective Date against any Person or Entity based on law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, known or unknown.

17. Chapter 11 Cases: The cases commenced under Chapter 11 of the Bankruptcy Code by the Debtors on the Petition Date, styled *In re Techneglas, Inc.*, Case No. 04-63788; *In re Nippon Electric Glass Ohio, Inc.*, Case No. 04-63851; and *In re Nippon Electric Glass America, Inc.*, Case No. 04-63847, currently pending before the Bankruptcy Court for the Southern District of Ohio, Eastern Division.

18. Claim: A “claim” as defined in 11 U.S.C. § 101(5).

19. Claims Managers: With respect to Article VII of the Plan, the Post Confirmation Trustee, the Reorganized Debtors, NEG Ohio, NEG America, and/or Techneglas, as applicable.

20. Class: A category of Holders of Claims or Interests as set forth in ARTICLE III of the Plan.

21. Collateral: Any property or interest in property of any of the respective Debtors that is subject to an unavoidable Lien to secure the payment or performance of a Claim.

22. Confirmation Date: The date(s) upon which the Clerk of the Bankruptcy Court has entered the Confirmation Order on the respective dockets of each Debtor in its Chapter 11 Case.

23. Confirmation Hearing: The hearing to consider confirmation of the Plan in accordance with section 1129 of the Bankruptcy Code, as the same may be adjourned from time to time without further notice to parties in interest.

24. Confirmation Order: The order of the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

25. Confirmation: The entry of the Confirmation Order, subject to all conditions specified in ARTICLE XIII.A below having been satisfied or waived.

26. Consummation: The occurrence of the Effective Date.

27. **Controlled Group**: All members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated or located in the United States) under common control which, together with Techneglas, are or may be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code, or Section 4001(a)(14) of the ERISA, as used in the PBGC MOU.

28. ~~27.~~ **Creditor**: Any Entity that has a Claim against any of the respective Debtors, including, without limitation, a Claim against the Debtors' Chapter 11 estates of a kind specified in sections 348(d), 502(f), 502(g), 502(h) or 502(i) of the Bankruptcy Code.

29. ~~28.~~ **Debtors in Possession**: The Debtors as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

30. ~~29.~~ **Debtors**: Techneglas, NEG Ohio and NEG America.

31. ~~30.~~ **DIP Credit Agreement**: Debtor in Possession Loan and Security Agreement Between General Electric Capital Corporation as Lender and Techneglas, Inc. a Debtor and Debtor In Possession as Borrower Dated As Of September 1, 2004, as amended, supplemented or otherwise modified.

32. ~~31.~~ **DIP Facility**: The debtor in possession loan facilities provided to Techneglas pursuant to the terms of the DIP Financing Order and the DIP Credit Agreement.

33. ~~32.~~ **DIP Financing Order**: Collectively, the Interim Order Authorizing Debtor: (A) to Incur PostPetition Debt; and (B) to Provide Security to General Electric Capital Corporation, entered by the Bankruptcy Court on or about September 7, 2004; the Final Order Authorizing Debtor: (A) To Incur Postpetition Debt; and (B) to Provide Security to General Electric Capital Corporation entered by the Bankruptcy Court in the Techneglas Chapter 11 Case on or about September 27, 2004; and any and all additional Orders amending, modifying or supplementing the DIP Financing Order and/or the DIP Facility.

34. ~~33.~~ **Disclosure Statement Order**: The Order (I) Approving First Amended Disclosure Statement; (II) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject First Amended Joint Plan of Reorganization; (III) Approving the Form of Ballots and Solicitation Materials; (IV) Scheduling Hearing on Confirmation of First Amended Joint Plan of Reorganization; and (V) Approving Related Notice Procedures, entered by the Bankruptcy Court on August, 2005.

35. ~~34.~~ **Disclosure Statement**: The First Amended Disclosure Statement for the First Amended Joint Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated August 22, 2005, as amended, supplemented, or modified from time to time, describing the Plan, as amended, supplemented, or modified from time to time that is prepared and distributed in accordance with 11 U.S.C. §§ 1125, 1126(b) and/or 1145 and Rule 3018 and/or other applicable law.

36. ~~35.~~ **Disputed Claim Amount**: The lesser of (a) the amount of a Disputed Claim as filed with the Bankruptcy Court and (b) if the Bankruptcy Court has estimated such Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, the amount of a Disputed Claim as estimated by the Bankruptcy Court; provided, however, that nothing contained in the Plan is intended to or shall affect any Entity's rights under section 502(j) of the Bankruptcy Code.

~~37.~~ ~~36.-Disputed Claim; Disputed Interest:~~ Any Claim against or Interest in any of the respective Debtors, to the extent the allowance of which is the subject of a timely objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Confirmation Order, or is otherwise disputed by any of the respective Debtors in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn, settled, or determined by a Final Order.

~~38.~~ ~~37.-Distribution Assets:~~ Shall be comprised of: (a) if the PBGC does not choose to opt-out of the PBGC Release, all assets of the Estate of Techneglas, except those assets distributed to the Post Confirmation Entity and Real Estate Entity; or (b) if the PBGC chooses to opt-out of the PBGC Release, (i) all assets of the Estate of Techneglas, except those assets distributed to the Post Confirmation Entity, Real Estate Entity, and those assets related to the distribution of NEG's glass component products presently distributed by Techneglas to United States customers, or (ii) no assets.

~~39.~~ ~~38.-Distribution Date:~~ As to each Reorganized Entity, Effective Date, or as soon as reasonably practicable thereafter as determined by such Reorganized Entity, as applicable, in its sole discretion.

~~40.~~ ~~39.-Effective Date:~~ As to each Debtor, the date selected by such respective Debtor which is a Business Day after the Confirmation Date on which all conditions specified in ARTICLE XIII.B below have been satisfied or waived. When used in the Plan, Effective Date means on the Effective Date or as soon as reasonably practicable thereafter.

~~41.~~ ~~40.-Entity:~~ An "entity" as defined by 11 U.S.C. § 101(15).

~~42.~~ ~~41.-Equity Interest:~~ Any interest in any Debtor on account of an Equity Security.

~~43.~~ ~~42.-Equity Security:~~ One of the following: (a) a share in a corporation, whether or not denominated "stock," or similar security, and whether or not issued, unissued, authorized, or outstanding, (b) an interest of a limited partner in a limited partnership, (c) an interest of a general partner in a general partnership, or (d) a warrant, option, contract, or right, other than a right to consent, to purchase, sell, or subscribe to a share, security, or interest of a kind specified in (a), (b), (c), or (d) of this definition.

~~44.~~ **ERISA: Employee Retirement Income Security Act of 1974, as amended.**

~~45.~~ ~~43.-Exculpation Beneficiaries:~~ The following persons: all direct and indirect subsidiaries, officers, directors, affiliates; present and former parent corporations, shareholders, officers, directors, and employees; and present and former attorneys, advisors and consultants (if any, and solely in their capacity as such) of any of the respective Debtors, the Reorganized Debtors, the Post-Confirmation Entity, the Real Estate Entity, NEG Distribution NewCo, NEG, the OCUC, the Techneglas Employee Benefits Committee, former members of the Techneglas Employee Benefits Committee, and any Entities employed in any of the respective Debtors' Chapter 11 Cases pursuant to sections 327 and 1103 of the Bankruptcy Code (and in the case of the Reorganized Entities' co-counsel and investment bankers, such exculpation shall also be with respect to periods both before and after the Petition Date).

~~46.~~ ~~44.-Exhibit Book:~~ The attached volume, containing exhibits to the Plan and Disclosure Statement.

~~47.~~ ~~45.-File or Filed:~~ File or filed with the Bankruptcy Court in the Chapter 11 Cases.

~~48.~~ ~~46.-Final Decree:~~ The decree contemplated under Bankruptcy Rule 3022 as applied to these Chapter 11 Cases.

**49.** ~~47.~~ Final Order: An order of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending; and if an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules, may be but has not then been filed with respect to such order, shall not cause such order not to be a Final Order.

**50.** ~~48.~~ General Claims Bar Date: The date set by the Bankruptcy Court as the last date for timely submission of a proof of Interest or proof of Claim for all Claims other than Administrative Expense Claims and Priority Claims in each Debtor's case, which (a) with respect to Techneglas is January 14, 2005; (b) with respect to NEG America is May 27, 2005; (c) and with respect to NEG Ohio is May 27, 2005.

**51.** ~~49.~~ General Unsecured Claim: An Unsecured Claim.

**52.** ~~50.~~ Governmental Unit: An Entity that is a "governmental unit" as defined in 11 U.S.C. § 101(27).

**53.** ~~51.~~ GMP Union: Glass, Molders, Pottery, Plastics and Allied Workers International Union, AFL-CIO-CLC, including Locals 306 and 243.

**54.** ~~52.~~ Holder: A Person or Entity holding an Equity Interest or Claim, and with respect to a vote on the Plan, means the Beneficial Holder as of the Record Date or any authorized signatory who has completed and executed a Ballot or on whose behalf a Master Ballot has been completed and executed in accordance with the Voting Instructions.

**55.** Hourly Plan: The Amended and Restated Techneglas, Inc. Hourly Retirement Plan.

**56.** ~~53.~~ Impaired: With respect to a Claim or Class of Claims, a Claim or Class of Claims that is impaired within the meaning of section 1124 of the Bankruptcy Code.

**57.** ~~54.~~ Inter-Corporate Obligations: Any obligation by NEG Ohio, NEG America and/or Techneglas to any Affiliate.

**58.** ~~55.~~ Interest: Means any ownership interest in any Debtor, including, but not limited to, an interest in any issued, unissued, authorized or outstanding shares or stock and other Equity Security together with any warrants, options or contractual rights to purchase or acquire such interests at any time and all rights arising with respect thereto.

**59.** ~~56.~~ IRC: The Internal Revenue Code of 1986, as amended from time to time.

**60.** ~~57.~~ IRS: The Internal Revenue Service, an agency of the United States Department of the Treasury.

**61.** ~~58.~~ Lien: Any charge against, interest in or encumbrance on property to secure payment of a debt or performance of an obligation.

**62.** ~~59.~~ MOUs: The Memorandum of Understanding With United Steelworkers of America, AFL-CIO-CLC, and the Memorandum of Understanding with Glass, Molders, Pottery, Plastics and Allied Workers International Union, AFL-CIO-CLC

~~63.~~ ~~60.-MOU Orders:~~ The Order Authorizing the Debtor to Enter Into and Approving the Memorandum of Understanding with Glass, Molders, Pottery, Plastics and Allied Workers International Union, AFL-CIO-CLC, entered by the Bankruptcy Court on June 8, 2005 [Docket No. 739], and the Order Authorizing the Debtor to Enter Into and Approving the Memorandum of Understanding With United Steelworkers of America, AFL-CIO-CLC, entered by the Bankruptcy Court on June 8, 2005 [Docket No. 740].

~~64.~~ ~~61.-NEG America:~~ Nippon Electric Glass America, Inc., a Illinois corporation.

~~65.~~ ~~62.-NEG Claims:~~ Any Claim held by NEG against any of the Debtors.

~~66.~~ ~~63.-NEG Distribution NewCo:~~ An ongoing business, wholly owned by NEG, created on the Effective Date that will (a) receive the Distribution Assets, and (b) except as otherwise provided in the Plan, receive all of the assets that remain in the Post Confirmation Entity following the Post Confirmation Entity's distributions to Techneglas Non-NEG Creditors; provided, however, in the event that there are no assets that are Distribution Assets all assets that would otherwise be distributed to NEG Distribution NewCo shall be distributed to NEG.

~~67.~~ ~~64.-NEG Interests:~~ Interests owned by NEG.

~~68.~~ ~~65.-NEG Ohio:~~ Nippon Electric Glass Ohio, Inc., a Delaware corporation.

~~69.~~ ~~66.-NEG:~~ Nippon Electric Glass Co. Ltd., a Japanese company.

~~70.~~ ~~67.-NEG Release Consideration:~~ The consideration that NEG shall give in exchange for the Optional Release as described in Article III.E of this Plan, including any other consideration that NEG may give to the PBGC in exchange for the PBGC's acceptance of the PBGC Release.

~~71.~~ ~~68.-New Common Stock:~~ The [\_\_\_\_\_] shares of NEG Distribution NewCo's common stock with a par value of \$.01 per share, to be authorized pursuant to the restated Certificate of Incorporation of NEG Distribution NewCo of which [\_\_\_\_\_] shares shall be issued pursuant to this Plan and [\_\_\_\_\_] shares shall be held by NEG Distribution NewCo, for future issuance, pursuant to any authorization thereof by NEG Distribution NewCo's board of directors.

~~72.~~ ~~69.-Non-NEG Creditors:~~ Creditors other than NEG.

~~73.~~ ~~70.-OCUC:~~ The Official Committee of Unsecured Creditors appointed in the Techneglas Chapter 11 Case on September 10, 2004 pursuant to section 1102 of the Bankruptcy Code as constituted from time to time up to the Effective Date.

~~74.~~ ~~71.-Optional Release:~~ The release that a Third Party Claimant may give as described in Article III.E of this Plan.

~~75.~~ ~~72.-Other Definitions:~~ Unless the context otherwise requires, any capitalized term used and not defined herein or elsewhere in the Plan but that is defined in the Bankruptcy Code shall have the meaning assigned to that term in the Bankruptcy Code. Unless otherwise specified, all section, schedule or exhibit references in the Plan are to the respective section in, article of, or schedule or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan.

~~76.~~ ~~73.-Other Priority Claims:~~ All Priority Non-Tax Claims.

~~77.~~ ~~74.-Other Interests:~~ Any Interests other than those owned by NEG or the Sumitomo Interests.

**78.** ~~75.~~ Other Sale Transaction: Any transaction involving the sale, transfer, or exchange of any asset of the Debtors, their estates, the Post Confirmation Entity or the Real Estate Entity on or after the Petition Date.

**79.** ~~76.~~ Other Unsecured Claims: Unsecured Claims other than PBGC Claims and NEG Claims.

**80.** ~~77.~~ Paid Administrative Claims: Any Administrative Expense Claim or Priority Claim to the extent that the Holder of which received a payment, distribution, or other transfer of property of the Debtors or their estates on account of such Claim prior to the Effective Date.

**81.** ~~78.~~ PBGC: Pension Benefit Guaranty Corporation.

**82.** ~~79.~~ PBGC MOU: The Techneglas Memorandum of Understanding with the Pension Benefit Guaranty Corporation.

**83.** ~~80.~~ PBGC Release: The release that the PBGC may give as described in Article III.E of this Plan and set forth in the PBGC MOU.

**84.** ~~81.~~ Pension Plans: The ~~Techneglas Hourly Retirement~~ Plan and the ~~Techneglas Salary Retirement~~ Plan, together with any and all supplements thereto.

**85.** ~~82.~~ Person: A “person” as defined in 11 U.S.C. § 101(41).

**86.** ~~83.~~ Petition Date: September 1, 2004, the date on which the Debtors filed their respective voluntary petitions for relief under Chapter 11 of the Bankruptcy Code commencing the Chapter 11 Cases.

**87.** ~~84.~~ Plan Documents: Plan, Disclosure Statement, and Exhibit Book.

**88.** ~~85.~~ Plan: This First Amended Joint Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code, including, without limitation, any exhibits and schedules hereto, either in its present form or as the same may be amended, modified or supplemented from time to time in accordance with the terms and provisions hereof.

**89.** ~~86.~~ Post Confirmation Entity Agreement: The agreement, substantially in the form contained in the Exhibit Book, that documents the Post Confirmation Entity, describes the powers, duties and responsibilities of the Post Confirmation Trustee and the liquidation and distribution of proceeds of the Post Confirmation Entity Assets.

**90.** ~~87.~~ Post Confirmation Entity Assets: Assets of Techneglas’ Chapter 11 Estate sufficient to fund the distributions to the Non-NEG Creditors in the Techneglas Chapter 11 Case.

**91.** ~~88.~~ Post Confirmation Entity: The entity to be created on the Effective Date, in the sole discretion of Techneglas, in accordance with the provisions of Article VI of the Plan and the Post Confirmation Entity Agreement in the Techneglas Chapter 11 Case; provided, however, if the Post Confirmation Entity is not created then assets that would otherwise have vested in the Post Confirmation Entity shall revert in Reorganized Techneglas and any distributions that would otherwise have been made by the Post Confirmation Entity shall be made by the Reorganized Techneglas.

**92.** ~~89.~~ Post Confirmation Trustee: Shall mean (a) in the event that Techneglas has a Post Confirmation Entity, the person designated by Techneglas and retained as of the Effective Date, under the Post Confirmation Entity Agreement, as the employee or fiduciary responsible for, among other things, the matters described in Article VI herein, and (b) in the event that there is no Post Confirmation Entity, Reorganized

Techneglas. When the context requires, any reference to the Post Confirmation Trustee or the Post Confirmation Entity shall mean the Post Confirmation Trustee on behalf of the Post Confirmation Entity.

**93.** ~~90.-Priority Claim:~~ All Priority Non-Tax Claims and Priority Tax Claims.

**94.** ~~91.-Priority Non-Tax Claim:~~ Any Claim against any of the respective Debtors or Reorganized Entities, other than an Administrative Expense Claim, or a Priority Tax Claim, entitled to priority in payment under section 507(a) of the Bankruptcy Code, but only to the extent entitled to such priority.

**95.** ~~92.-Priority Tax Claim:~~ Any Claim against any of the respective Debtors entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code, but only to the extent entitled to such priority.

**96.** ~~93.-Pro Rata:~~ With respect to Allowed Claims within the same Class, the proportion that an Allowed Claim bears to the sum of (a) all Allowed Claims within such Class, and (b) all Disputed Claim Amounts within such Class.

**97.** ~~94.-Professional Compensation and Reimbursement Claim:~~ Any Claim in the Chapter 11 Cases entitled to payment in accordance with section 330 or 331 of the Bankruptcy Code or entitled to priority in payment under sections 503(b)(1), 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

**98.** ~~95.-Professional:~~ A Person or Entity: (a) employed in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329 and 330 and 331 of the Bankruptcy Code; or (b) to whom compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to section 503(b) of the Bankruptcy Code.

**99.** ~~96.-Real Estate Assets:~~ All real estate assets of Techneglas that have not been otherwise sold on the Effective Date and that may potentially be subject to environmental liability.

**100.** ~~97.-Real Estate Entity Agreement:~~ The agreement, substantially in the form contained in the Exhibit Book, that documents the Real Estate Entity, describes the powers, duties and responsibilities of the Real Estate Trustee and the liquidation and distribution of proceeds of the Real Estate Assets.

**101.** ~~98.-Real Estate Entity:~~ The entity to be created on the Effective Date in accordance with the provisions of Article VI of the Plan and the Real Estate Entity Agreement for the benefit of Holders of certain Allowed Claims in the Techneglas Chapter 11 Case.

**102.** ~~99.-Real Estate Trustee:~~ The person designated by Techneglas and retained as of the Effective Date, under the Real Estate Entity Agreement, as the employee or fiduciary responsible for, among other things, the matters described in Article VI herein. When the context requires, any reference to the Real Estate Trustee or the Real Estate Entity shall mean the Real Estate Trustee on behalf of the Real Estate Entity.

**103.** ~~100.-Record Date:~~ The date to be established by the Bankruptcy Court in the Confirmation Order and the Disclosure Statement Order for the purpose of determining those Holders of Allowed Claims that can receive distributions pursuant to the Plan.

**104.** ~~101.-Rejection Damage Claim:~~ Any Claim based on the rejection of an executory contract or unexpired lease.

**105.** ~~102.-Released Parties:~~ NEG and all of its direct and indirect subsidiaries; each of such Entities' officers, directors, and affiliates; each of such Entities' present and former parent corporations, and direct and indirect subsidiaries and affiliates; each of such Entities' present and former shareholders, officers, directors, and employees; and each of such Entities' present and former attorneys, advisors and consultants.

**106.** ~~403.~~ Releasing Parties: The Debtors, the Reorganized Debtors, NEG Distribution NewCo, the Post Confirmation Entity, the Real Estate Entity, the OCUC, members of the OCUC, the Techneglas Employee Benefits Committee, former members of the Techneglas Employee Benefits Committee, and the Third Party Claimants and each of their respective officers, directors, members, attorneys, advisors, representatives, and employees.

**107.** ~~404.~~ Reorganized Debtors: Reorganized NEG America and Reorganized NEG Ohio, and in the event that there is a Reorganized Techneglas, Reorganized Techneglas.

**108.** ~~405.~~ Reorganized Entities: Reorganized Debtors (including in the event that there is a Reorganized Techneglas, Reorganized Techneglas) and NEG Distribution NewCo.

**109.** ~~406.~~ Reorganized NEG America: NEG America from and after the Effective Date.

**110.** ~~407.~~ Reorganized NEG Ohio: NEG Ohio from and after the Effective Date.

**111.** ~~408.~~ Reorganized Techneglas: Techneglas from and after the Effective Date, in the event that there is no Post Confirmation Entity.

**112.** ~~409.~~ Retiree Benefits: As defined by 11 U.S.C. § 1114.

**113.** Salary Plan: The Amended and Restated Techneglas, Inc. Salary Retirement Plan.

**114.** ~~410.~~ Schedules: The respective schedules of assets and liabilities, the list of Interests, and the statements of financial affairs filed by the respective Debtors in accordance with section 521 of the Bankruptcy Code and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and statements have been or may be supplemented or amended.

**115.** ~~411.~~ Section 365(d)(4) Extension Order(s): Collectively, the Court's Orders extending the deadline set forth in 11 U.S.C. § 365(d)(4).

**116.** ~~412.~~ Secured Claim: A Claim against any of the respective Debtors, that is secured by a Lien on Collateral or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Collateral or to the extent of the amount subject to setoff as applicable, as determined in accordance with section 506(a) of the Bankruptcy Code.

**117.** Settlement Amount: As defined in the PBGC MOU.

**118.** ~~413.~~ Sumitomo Interests: Interests in NEG Ohio held by Sumitomo Corporation, Ltd. and Sumitomo de Mexico S.A. de C.V.

**119.** ~~414.~~ Techneglas: Techneglas, Inc., a Delaware corporation.

**120.** ~~415.~~ Third Party Claimant: Any Holder of a Claim who submits a Ballot but does not choose to opt-out of granting the Optional Release by checking the appropriate box on the Ballot or any Holder of a Claim who fails to submit a Ballot.

**121.** ~~416.~~ Unimpaired Class: An unimpaired Class within the meaning of section 1124 of the Bankruptcy Code.

**122.** ~~417.~~ Unknown Causes of Action: As defined in Article VI.F of the Plan.



~~123.~~ ~~418.~~ Unsecured Claim: Any Claim against any of the Debtors other than an Administrative Expense Claim, a Priority Claim, a Secured Claim, and an Equity Interest.

~~124.~~ ~~419.~~ USWA Union: United Steelworkers of America, AFL-CIO-CLC, including Local 600.

~~125.~~ ~~420.~~ Voting Deadline: The date set by the Bankruptcy Court as the last date for timely submission by a Creditor of a ballot accepting or rejecting the Plan.

~~126.~~ ~~421.~~ Voting Instructions: Those instructions included in the Ballot(s).

## **ARTICLE II. PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified and are excluded from the Classes set forth in Article III of this Plan.

### **A. PAYMENT OF DIP FACILITY**

In full satisfaction, settlement, release, and discharge of and in exchange for DIP Facility Claims, unless the Holder of such Claim and Techneglas agree to a different treatment, each Holder of a DIP Facility Claim shall be paid in full in Cash by Techneglas on the Effective Date or such other date as agreed upon by Techneglas and such Holder of the Allowed DIP Facility Claim.

### **B. PAYMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS**

Subject to sections 330(a), 331, and 503 of the Bankruptcy Code, each Holder of an Allowed Administrative Expense Claim shall be paid the Allowed Amount of its Administrative Expense Claim either (a) in full, in cash, by the respective Reorganized Entity, on the Effective Date or as soon as practicable thereafter, or (b) upon such other less favorable terms as may be mutually agreed upon between the Holder of an Allowed Administrative Expense Claim and the Reorganized Entity, or otherwise established pursuant to an order of the Bankruptcy Court; provided that (a) Administrative Expense Claims representing liabilities incurred in the ordinary course of business by any of the respective Debtors in Possession on or after the Petition Date or assumed by any of the respective Debtors in Possession pursuant to this Plan or an order of the Bankruptcy Court shall be paid by the respective Reorganized Entity in accordance with the terms and conditions of the particular transactions and any agreements relating thereto or any order of the Bankruptcy Court, and (b) Allowed Administrative Expense Claims of Professionals shall be paid pursuant to order of the Bankruptcy Court.

All final applications for compensation of Professionals for services rendered and for reimbursement of expenses incurred on or before the Confirmation Date, and any other request for compensation by any Entity for making a substantial contribution (as described in section 503(b)(3)(D) of the Bankruptcy Code) in the Chapter 11 Cases (except only for Claims under 28 U.S.C. § 1930 and for fees incurred by the Clerk's Office), shall be Filed no later than thirty days after the Effective Date. Any Professional or Entity with a Claim for payment of such an Administrative Expense Claim that does not File an application for payment of such Claim or expenses by the deadline set forth herein shall be forever barred from asserting such Claim and shall receive no distribution under this Plan or otherwise on account of such Claim.

### **C. PRIORITY TAX CLAIMS**

Each Holder of an Allowed Priority Tax Claim shall be paid the Allowed Amount of its Priority Tax Claim, at the option of the respective Reorganized Debtor, either (a) in full, in cash, by such Reorganized Debtor, on the Effective Date or as soon as practicable thereafter, or (b) upon such other less favorable terms

as may be mutually agreed upon between the Holder of an Allowed Priority Tax Claim and the respective Reorganized Entity, or (c) in equal quarterly cash payments on the Initial Distribution Date and, thereafter, on each Quarterly Tax Distribution Date in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at 4.0% per annum, over a period not exceeding six (6) years after the date of assessment of such Allowed Priority Tax Claim, or upon such other terms determined by the Bankruptcy Court, which will provide the Holder of such Allowed Priority Tax Claim deferred cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim.

**D. PAID ADMINISTRATIVE CLAIMS**

Subject to each Debtors’ preservation of certain rights of action in Article VI.F below, all payments made on account of Paid Administrative Claims shall be final and not subject to disgorgement.

**ARTICLE III.  
CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS**

**A. SUMMARY**

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

The classification of Claims and Interests against each of the respective Debtors pursuant to the Plan is as follows:

**Techneglas**

Class	Claim/Interest	Treatment of Claim/Interest <sup>1</sup>	Estimated Aggregate Amount of Allowed Claims or Interests	Estimated Recovery Under Plan	Voting Rights
Unclassified	Debtor in Possession Financing	U	-0-	Paid in Full	Not Entitled to Vote
Unclassified	Administrative Claims	U	\$4,000,000	Paid in Full	Not Entitled to Vote
Unclassified	Priority Tax Claims	U	\$2,500,000	Paid in Full	Not Entitled to Vote
1A	Secured Claims	U	-0-	Paid in Full	Not Entitled to Vote
2A	Other Priority Claims	U	\$500,000	Paid in Full	Not Entitled to Vote
3A	Union Priority Claims	I	\$15,000,000	100%	Entitled to Vote
4A	Other Unsecured Claims	I	\$23,630,000	31-63.5% <sup>2</sup>	Entitled to Vote

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<sup>1</sup> U – Unimpaired; I – Impaired.

5A	PBGC Claims	I	\$ <del>34</del> <u>530,000</u> Total against Techneglas, NEG Ohio and NEG America	100% in aggregate	Entitled to Vote
6A	<del>NEG Claims</del> <del>NEG Interests</del>	I	\$300,420,000 5,000 shares preferred stock 200 shares common stock	Approx- 15-20% <sup>3</sup>	Entitled to Vote

<sup>2</sup> Those creditors that do not opt-out of the Optional Release are guaranteed a distribution of 63.5% with the potential to receive up to 100% based on a number of factors; creditors that opt-out of the Optional Release will be entitled to a distribution of 31%.

<sup>3</sup> ~~Estimate based on the following assumptions: (i) \$2.9 million in cash at NEG Distribution NewCo; (ii) \$7.5 million in real estate held for sale in the Real Estate Trust; (iii) \$24.5 million in unliquidated assets remaining in the Techneglas estate; (iv) \$3.0 million in dopant sources business value beyond asset value; and (v) \$8-22 million in NOL value contingent upon the ability of NEG to use Techneglas NOLs (gross NOLs estimated at approximately \$220 million). Also included is the benefit to NEG of Techneglas' decision not to pursue preference actions, as described in Art. III.B.1(i) herein.~~

<b>6A</b>	<b><u>NEG Claims</u></b> <b><u>NEG Interests</u></b>	<b><u>I</u></b>	<b><u>\$300,420,000</u></b> <b><u>5,000 shares</u></b> <b><u>preferred stock</u></b> <b><u>200 shares common</u></b> <b><u>stock</u></b>	<b><u>Approx.</u></b> <b><u>15-20%<sup>3</sup></u></b>	<b><u>Entitled to Vote</u></b>
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**NEG Ohio**

<b>Class</b>	<b>Claim/Interest</b>	<b>Treatment of Claim/Interest</b>	<b>Estimated Aggregate Amount of Allowed Claims or Interests</b>	<b>Estimated Recovery Under Plan</b>	<b>Voting Rights</b>
Unclassified	Administrative Claims	U	\$11,023,253 <sup>4</sup>	Paid in Full	Not Entitled to Vote
Unclassified	Priority Tax Claims	U	-0-	N/A	Not Entitled to Vote
1B	Secured Claims	U	-0-	N/A	Not Entitled to Vote
2B	Other Priority Claims	U	-0-	N/A	Not Entitled to Vote
3B	Other Unsecured Claims	I	\$3,841,070	100%	Entitled to Vote
4B	PBGC Claims	I	\$ <del>34,000,000</del> <b><u>530,000</u></b> Total against Techneglas, NEG Ohio and NEG America	100% in aggregate	Entitled to Vote
5B	NEG Claims	I	\$7,610,000 <del>7,610,254</del>	<del>13%</del> <b><u>13%</u></b>	Entitled to Vote
6B	Other Interests	U	1800 shares common stock	Retains Interest	Not Entitled to Vote
7B	NEG Interests	U	7200 shares common stock	Retains Interest	Not Entitled to Vote

**NEG America**

<b>Class</b>	<b>Claim/Interest</b>	<b>Treatment of Claim/Interest</b>	<b>Estimated Aggregate Amount of Allowed Claims or Interests</b>	<b>Estimated Recovery Under Plan</b>	<b>Voting Rights</b>
Unclassified	Administrative Claims	U	\$6,263,140.00 <sup>5</sup>	Paid in Full	Not Entitled to Vote

<sup>3</sup> **Estimate based on the following assumptions: (i) \$2.9 million in cash at NEG Distribution NewCo; (ii) \$7.5 million in real estate held for sale in the Real Estate Trust; (iii) \$24.5 million in unliquidated assets remaining in the Techneglas estate; (iv) \$3.0 million in dopant sources business value beyond asset value; and (v) \$8-22 million in NOL value contingent upon the ability of NEG to use Techneglas NOLs (gross NOLs estimated at approximately \$220 million). Also included is the benefit to NEG of Techneglas' decision not to pursue preference actions, as described in Art. III.B.1(i) herein.**

<sup>4</sup> Estimate as of May 31, 2005, which includes trade debt incurred in the ordinary course of business.

<sup>5</sup> Estimate as of May 31, 2005, which includes trade debt incurred in the ordinary course of business.

Unclassified	Priority Tax Claims	U	-0-	N/A	Not Entitled to Vote
1C	Secured Claims	U	-0-	N/A	Not Entitled to Vote
2C	Other Priority Claims	U	-0-	N/A	Not Entitled to Vote
3C	Other Unsecured Claims	I	\$1,044,547.00	100%	Entitled to Vote
4C	PBGC Claims	I	\$ <del>34</del> <u>530,000</u> Total against Techneglas, NEG Ohio and NEG America	100% in aggregate	Entitled to Vote
5C	NEG Claims	I	\$5,545,355.00	<del>13</del> %	Entitled to Vote
6C	NEG Interests	U	27,500 shares of common stock	Retains Interest	Not Entitled to Vote

**B. TREATMENT - TECHNEGLAS**

**1. Secured Claims (Class 1A) - Unimpaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Secured Claim (Class 1A), each Holder of such Claim will receive one of the following distributions as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim: (a) the payment of such Holder's Allowed Secured Claim in full in Cash; (b) the surrender to the Holder of any Allowed Secured Claim of the property securing such Claim; or (c) treatment in any other manner so that such Claim shall otherwise be unimpaired pursuant to section 1124 of the Bankruptcy Code. The manner and treatment of each Allowed Secured Claim shall be determined by Techneglas and/or the Post Confirmation Trustee, as applicable, in its sole and absolute discretion.

Each Holder of a Class 1A Claim is deemed to accept the Plan. Therefore, Holders of Class 1A Claims are not entitled to vote.

**2. Other Priority Claims (Class 2A) - Unimpaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Priority Claim (Class 2A), each Holder of such Claim will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, either: (a) in full; or (b) in any other manner so that such Claim shall otherwise be rendered unimpaired pursuant to section 1124 of the Bankruptcy Code.

Each Holder of a Class 2A Claim is deemed to accept the Plan. Therefore, Holders of Class 2A Claims are not entitled to vote.

**3. Union Claims (Class 3A) - Impaired**

In full satisfaction, settlement, release, and discharge of the Union Claims, the Union Claims (Class 3A) will be paid as soon as reasonably practicable after the Effective Date in accordance with the MOUs and the MOU Orders.

Each Holder of a Class 3A Claim is entitled to vote on the Plan.

**4. Other Unsecured Claims (Class 4A) - Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Unsecured Claim (Class 4A), each Holder of such Claim that (a) does not choose to opt-out of the Optional Release, or (b) fails to submit a Ballot and is therefore deemed to have accepted the Optional Release, will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim a distribution of Cash in the following amount not to exceed 100% of such Allowed Claim:

(i) 63.5% of such Allowed Claim; plus

(ii) 3.5% of such Allowed Claim if the Plan is confirmed prior to September 15, 2005 or if there is an order entered prior to September 15, 2005, in the Techneglas Chapter 11 Case (that has not been stayed) authorizing the contribution of \$17,000,000 into the Hourly Plan or the payment of such amount to the PBGC; plus

(iii) if the total amount of Other Unsecured Claim (Class 4A) Allowed Claims is less than \$23,630,000, (a) the difference between \$23,630,000 and the total amount of Other Unsecured Claim (Class 4A) Allowed Claims; ~~multiplied by~~ (b) the percentage of ~~Holder~~the dollar amount of Other Unsecured (Class 4A) Allowed Claims ~~that are held by~~ Third Party Claimants; ~~multiplied by~~ (c) 63.5% if the conditions of subparagraph (ii) above ~~have~~es not been satisfied, and 67% if such conditions ~~have~~es been satisfied.

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Unsecured Claim (Class 4A), each Holder of such Claim that chooses to opt-out of the Optional Release will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim a distribution of Cash that amounts to 31% of such Allowed Claim.

For example, a Holder of an Other Unsecured (Class 4A) Allowed Claim in the amount of \$100.00 who is a Third Party Claimant because such Holder (a) does not choose to opt-out of the Optional Release, or (b) fails to submit a Ballot and is therefore deemed to have accepted the Optional Release, would receive at least \$63.50 under the Plan and possibly as much as \$100.00 if the total amount of Other Unsecured (Class 4A) Allowed Claims is less than a certain amount. In contrast, a Holder of an Other Unsecured (Class 4A) Allowed Claim for \$100.00 who chooses to opt-out of the Optional Release would receive \$31.00 under the Plan.

Each Holder of a Class 4A Claim is entitled to vote on the Plan.

## 5. PBGC Claims (Class 5A) - Impaired

In full satisfaction, settlement, release, and discharge of and in exchange for each and every PBGC Claim (Class 5A), if the PBGC votes to accept the Plan and does not choose to opt-out of the PBGC Release, then the PBGC will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim a distribution of Cash that amounts to 100% of \$~~\_\_\_\_\_ million~~34,530,000 in total minus any amounts received by the PBGC or contributed to the Hourly Plan pursuant to any Court order entered prior to the Distribution Date. The entire \$~~\_\_\_\_\_ million~~34,530,000 shall be allocated among the Debtors as follows: (a) by Techneglas, \$~~\_\_\_\_\_~~23,135,100; (b) by NEG Ohio—\$~~\_\_\_\_\_~~, \$6,591,627; and (c) by NEG America \$~~\_\_\_\_\_~~, \$4,803,273. All amounts paid by Techneglas to the PBGC or contributed to the Hourly Plan pursuant to any Court order entered prior to the Distribution Date shall be offset against amounts owed to the PBGC by Techneglas after calculating such allocation.

In full satisfaction, settlement, release, and discharge of and in exchange for each and every PBGC Claim (Class 5A), if the PBGC chooses to opt-out of the PBGC Release or votes to reject the Plan, then the PBGC will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the

entry of a Final Order by which such claim becomes an Allowed Claim, a distribution of Cash that amounts to 100% of \$16.9 million in total, to be allocated among each of the Debtors based on the ratio of such Debtor's Allowed Other Unsecured Claims and Allowed NEG Claims to the combined aggregate of the Allowed Other Unsecured Claims and Allowed NEG Claims of the three Debtors' estates.

The PBGC is also entitled to distributions as a Holder of Class 4B and 4C Claims. The PBGC as a Holder of a Class 5A Claim is entitled to vote on the Plan.

## **6. NEG Claims and NEG Interests (Class 6A) - Impaired**

The Plan provides that, in full satisfaction, settlement, release, and discharge of and in exchange for each and every NEG Claim and NEG Interest on the later of the Effective Date or as soon as reasonably practicable thereafter, NEG will receive either (a) a distribution of 100% of the equity of NEG Distribution NewCo, any residual assets remaining in the Post Confirmation Entity, and any residual assets remaining in the Real Estate Entity if there is no Post Confirmation Entity, or (b) all assets of Reorganized Techneglas, if any, (except those assets distributed to Non-NEG Creditors), any residual assets remaining in the Post Confirmation Entity, and any residual assets remaining in the Real Estate Entity if there is no Post Confirmation Entity.

**It is intended that any distribution of equity of NEG Distribution NewCo shall be in respect of stock or securities of Techneglas. The NEG Claims will be deemed merged into the NEG Interests to the extent necessary to give effect to the intent expressed in the preceding sentence. NEG has the option to take further steps to give effect to this intent.**

Under the Plan, each Holder of a Class 6A Claim is entitled to vote on the Plan.

## **C. TREATMENT - NEG OHIO**

### **1. Secured Claims (Class 1B) - Unimpaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Secured Claim (Class 1B), each Holder of such Claim will receive one of the following distributions as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim: (a) the Allowed Class 1B Claim shall be reinstated as an obligation of Reorganized NEG Ohio; (b) the payment of such Holder's Allowed Secured Claim in full in Cash; (c) the surrender to the Holder of any Allowed Secured Claim of the property securing such Claim; or (d) treatment in any other manner so that such Claim shall otherwise be unimpaired pursuant to section 1124 of the Bankruptcy Code. The manner and treatment of each Allowed Secured Claim shall be determined by NEG Ohio and/or Reorganized NEG Ohio, as applicable, in its sole and absolute discretion.

Each Holder of a Class 1B Claim is deemed to accept the Plan. Therefore, Holders of Class 1B Claims are not entitled to vote.

### **2. Other Priority Claims (Class 2B) - Unimpaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Priority Claim (Class 2B), each Holder of such Claim will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, either: (a) in full; or (b) in any other manner so that such Claim shall otherwise be rendered unimpaired pursuant to section 1124 of the Bankruptcy Code.

Each Holder of a Class 2B Claim is deemed to accept the Plan. Therefore, Holders of Class 2B Claims are not entitled to vote.

**3. Other Unsecured Claims (Class 3B) - Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Unsecured Claim (Class 3B), each Holder of an Other Unsecured Claim (Class 3B), will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, a distribution in the amount of 100% of the face value of such Allowed Claim without interest, penalties or other charges, in the following manner, at NEG Ohio's discretion: (a) first by offset of any claims of NEG Ohio against the Holder of the Other Unsecured Claim; and/or (b) the balance in Cash.

Each Holder of a Class 3B Claim is entitled to vote on the Plan.

**4. PBGC Claims (Class 4B) - Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every PBGC Claim (Class 4B), each Holder of a PBGC Claim (Class 4B), will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, a distribution of Cash in accordance with Article III.B.5 of this Plan.

The PBGC is also entitled to distributions as a Holder of Class 5A and 4C Claims. The PBGC as a Holder of a Class 4B Claim is entitled to vote on the Plan.

**5. NEG Claims (Class 5B) -- Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for the NEG Claims (Class 5B), NEG will be paid as soon as reasonably practicable after the Effective Date, a distribution in the amount of \$~~\_\_\_\_\_~~1,018,627 without interest, penalties or other charges, in the following manner at NEG Ohio's discretion: (a) first by offset of any Claims of NEG Ohio against the Holder of the Class 5B Claim, and/or (b) the balance in Cash.

Each Holder of a Class 5B Claim is entitled to vote on the Plan.

**6. Sumitomo Interests (Class 6B) - Unimpaired**

On the Effective Date, the Holders of the Sumitomo Interests (Class 6B), including preferred shares, common shares, and/or other forms of equity security or other interests, shall retain their Interests in Reorganized NEG Ohio.

Each Holder of a Class 6B Interest is deemed to accept the Plan. Therefore, Holders of Class 6B Interests are not entitled to vote.

**7. NEG Interests (Class 7B) - Unimpaired**

On the Effective Date, the Holder of the NEG Interests (Class 7B), including preferred shares, common shares, and/or other forms of equity security or other interests, shall retain its Interests in Reorganized NEG Ohio.

Each Holder of a Class 7B Interest is deemed to accept the Plan. Therefore, Holders of Class 7B Interests are not entitled to vote.



**D. TREATMENT - NEG AMERICA**

**1. Secured Claims (Class 1C) - Unimpaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Secured Claim (Class 1C), each Holder of such Claim will receive one of the following distributions as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim: (a) the Allowed Class 1C Claim shall be reinstated as an obligation of Reorganized NEG America; (b) the payment of such Holder's Allowed Secured Claim in full in Cash; (c) the surrender to the Holder of any Allowed Secured Claim of the property securing such Claim; or (d) treatment in any other manner so that such Claim shall otherwise be unimpaired pursuant to section 1124 of the Bankruptcy Code. The manner and treatment of each Allowed Secured Claim shall be determined by NEG America and/or Reorganized NEG America, as applicable, in its sole and absolute discretion.

Each Holder of a Class 1C Claim is deemed to accept the Plan. Therefore, Holders of Class 1C Claims are not entitled to vote.

**2. Other Priority Claims (Class 2C) - Unimpaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Priority Claim (Class 2C), each Holder of such Claim will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, either: (a) in full; or (b) in any other manner so that such Claim shall otherwise be rendered unimpaired pursuant to section 1124 of the Bankruptcy Code.

Each Holder of a Class 2C Claim is deemed to accept the Plan. Therefore, Holders of Class 2C Claims are not entitled to vote.

**3. Other Unsecured Claims (Class 3C) - Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every Other Unsecured Claim (Class 3C), each Holder of an Other Unsecured Claim (Class 3C), will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, a distribution of 100% of the face value of such Allowed Claim without interest, penalties or other charges, in the following manner at NEG America's discretion: (a) first by offset of any Claims of NEG America against the Holder of the Other Unsecured Claim; and/or (b) the balance in Cash.

Each Holder of a Class 3C Claim is entitled to vote on the Plan.

**4. PBGC Claims (Class 4C) - Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for each and every PBGC Claim (Class 4C), each Holder of a PBGC Claim (Class 4C), will be paid as soon as reasonably practicable after the later of the Effective Date or the date of the entry of a Final Order by which such claim becomes an Allowed Claim, a distribution of Cash in accordance with Article III.B.5 of this Plan.

The PBGC is also entitled to distributions as a Holder of Class 5A and 4B Claims. The PBGC as a Holder of a Class 4C Claim is entitled to vote on the Plan.

**5. NEG Claims (Class 5C) - Impaired**

In full satisfaction, settlement, release, and discharge of and in exchange for the NEG Claims (Class 5C), NEG will be paid as soon as reasonably practicable after the Effective Date, a distribution in the amount of \$~~\_\_\_\_\_~~742,082 without interest, penalties, or other charges, in the following manner at NEG America's discretion: (a) first by offset of any claims of NEG America against NEG; and/or (b) the balance in Cash.

Each Holder of a Class 5C Claim is entitled to vote on the Plan.

**6. NEG Interests (Class 6C) - Unimpaired**

On the Effective Date, the Holder of the NEG Interests (Class 6C), including preferred shares, common shares, and/or other forms of equity security or other interests, shall retain its Interests in Reorganized NEG America.

Each Holder of a Class 6C Interest is deemed to accept the Plan. Therefore, Holders of Class 6C Interests are not entitled to vote.

**E. RELEASE OF NEG AND SETTLEMENT OF NEG CLAIMS AGAINST TECHNEGLAS, INC.**

**1. Settlement of Claims Against NEG**

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan constitutes an application for approval of a compromise and settlement of any and all claims and causes of action of the Debtors and any Third Party Claimant against the Released Parties.

**2. Optional Release of NEG in the Techneglas Chapter 11 Case**

**ON THE EFFECTIVE DATE, THE THIRD PARTY CLAIMANTS HEREBY UNCONDITIONALLY AND IRREVOCABLY RELEASE THE RELEASED PARTIES FROM ANY AND ALL DIRECT, INDIRECT OR DERIVATIVE CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, RIGHTS, CAUSES OF ACTION, LIABILITIES, CLAIMS OR RIGHTS OF CONTRIBUTION AND INDEMNIFICATION, AND ALL OTHER CONTROVERSIES OF EVERY TYPE, KIND, NATURE, DESCRIPTION OR CHARACTER WHATSOEVER, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE THAT ARE BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE TAKING PLACE FROM THE BEGINNING OF THE WORLD TO THE EFFECTIVE DATE ARISING FROM OR RELATING IN ANY WAY, DIRECTLY OR INDIRECTLY, TO ANY OF THE DEBTORS, THEIR ASSETS, OPERATIONS OR LIABILITIES, THE CHAPTER 11 CASES, THE PLAN, OR THE DISCLOSURE STATEMENT; PROVIDED, HOWEVER, THAT THE THIRD PARTY CLAIMANTS SHALL NOT BE DEEMED TO HAVE RELEASED ANY RIGHTS TO ENFORCE THE TERMS OF THE PLAN OR THEIR RIGHTS TO DISTRIBUTIONS THEREUNDER. BY RETURNING A BALLOT WITHOUT CHECKING THE BOX TO OPT-OUT OF THE OPTIONAL RELEASE OR FAILING TO RETURN A BALLOT, THE THIRD PARTY CLAIMANTS CONSENT TO AND GRANT THIS RELEASE AND ACKNOWLEDGE THAT THEY MAY HAVE CLAIMS OR LOSSES OF WHICH THEY ARE NOT CURRENTLY AWARE, OR THEY MAY HAVE UNDERESTIMATED. THE CONSIDERATION FOR THE RELEASES WAS GIVEN IN PART IN EXCHANGE FOR THE RELEASE OF SUCH CLAIMS.**

**THE CONFIRMATION ORDER SHALL SPECIFICALLY PROVIDE FOR THE FOREGOING RELEASES, OTHER THAN ANY CLAIM OF A THIRD PARTY CLAIMANT BASED**

UPON AN EXPRESS WRITTEN GUARANTEE BY NEG IN FAVOR OF A THIRD PARTY CLAIMANT.

ON THE EFFECTIVE DATE, THE THIRD PARTY CLAIMANTS SHALL BE PERMANENTLY ENJOINED FROM COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND, ASSERTING ANY SETOFF, RIGHT OF SUBROGATION, CONTRIBUTION, INDEMNIFICATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, OR PROCEEDING IN ANY MANNER IN ANY PLACE INCONSISTENT WITH THE RELEASES GRANTED TO THE RELEASED PARTIES PURSUANT TO THE PLAN. THE CONFIRMATION ORDER SHALL SPECIFICALLY PROVIDE FOR SUCH INJUNCTION.

3. PBGC Release

~~{To be Inserted}~~

THE PBGC AGREES TO FULLY, FINALLY, COMPLETELY, AND FOREVER RELEASE ANY PURPORTED LIENS, LIABILITIES, CLAIMS, OR ACTIONS, WHICH THE PBGC HAS OR COULD HAVE ASSERTED, AGAINST EITHER OR BOTH OF THE PENSION PLANS, ANY OR ALL MEMBERS OF THE CONTROLLED GROUP, OR ANY OR ALL OF THE DIRECTORS, OFFICERS, FIDUCIARIES, EMPLOYEES, JOINT VENTURERS, PARTNERS, AFFILIATES, CREDITORS, AGENTS, ATTORNEYS, ACTUARIES, OR SUCCESSORS IN INTEREST OF EITHER OR BOTH OF THE PENSION PLANS, OR OF ANY OR ALL MEMBERS OF THE CONTROLLED GROUP, TO THE BROADEST EXTENT POSSIBLE UNDER APPLICABLE LAW, SUCH RELEASES TO TAKE EFFECT (I) WITH RESPECT TO THE HOURLY PLAN, WHEN THE DEBTORS HAVE PAID THE SETTLEMENT AMOUNT IN ACCORDANCE WITH PARAGRAPH 2(A) OF THE PBGC MOU AND (II) WITH RESPECT TO THE SALARY PLAN, WHEN TECHNEGLAS HAS FUNDED \$25 MILLION INTO THE RESERVE FUND OR ESCROW ACCOUNT IN ACCORDANCE WITH PARAGRAPH 2(C) OF THE PBGC MOU.

NOTWITHSTANDING ANY OTHER PROVISIONS OF THE PBGC RELEASE, WITH RESPECT TO THE HOURLY PLAN ONLY, THE PBGC MAY TIMELY PURSUE A CLAIM FOR BREACH OF FIDUCIARY DUTY AGAINST ANY INDIVIDUAL AND NOTHING IN THE PLAN SHALL OPERATE AS AN INJUNCTION WITH RESPECT TO THE PBGC'S ENFORCEMENT OF ERISA AS TO ANY SUCH FIDUCIARY OBLIGATION UNDER ERISA.

4. Release of Debtors' Claims Against Released Parties, Including NEG

ON THE EFFECTIVE DATE, THE DEBTORS HEREBY UNCONDITIONALLY AND IRREVOCABLY RELEASE THE RELEASED PARTIES FROM ANY AND ALL DIRECT, INDIRECT OR DERIVATIVE CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, RIGHTS, CAUSES OF ACTION, LIABILITIES, CLAIMS OR RIGHTS OF CONTRIBUTION AND INDEMNIFICATION, AND ALL OTHER CONTROVERSIES OF EVERY TYPE, KIND, NATURE, DESCRIPTION OR CHARACTER WHATSOEVER, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE THAT ARE BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE TAKING PLACE FROM THE BEGINNING OF THE WORLD TO THE EFFECTIVE DATE ARISING FROM OR RELATING IN ANY WAY, DIRECTLY OR INDIRECTLY, TO ANY OF THE DEBTORS, THEIR ASSETS, OPERATIONS OR LIABILITIES, THE CHAPTER 11 CASES, THE PLAN, OR THE DISCLOSURE STATEMENT. THE CONFIRMATION ORDER SHALL SPECIFICALLY PROVIDE FOR THE FOREGOING RELEASES.

**5. Consideration Provided By NEG to Techneglas Creditors**

The consideration that NEG shall provide, or has provided, in exchange for the releases described in this Article of this Plan (the “NEG Release Consideration”) is the aggregate amount of additional Cash that the Third Party Claimants will receive by agreeing to the Optional Release compared with the aggregate amount they would receive if they did not grant the Optional Release, provided, however, the NEG Release Consideration as it applies to the PBGC shall be the amount of \$~~\_\_\_\_\_~~ million, **17,630,000**, plus additional amounts paid to the PBGC in excess of what the PBGC would receive if it did not grant the PBGC Release.

The releases and injunctions granted in favor of the Released Parties are integral parts of the Plan and are necessary to confirm the Plan. The NEG Release Consideration constitutes the consideration for the releases from the Third Party Claimants and the Debtors. Because all elements of the NEG Release Consideration will result in distributions to creditors of Techneglas, the entire NEG Release Consideration constitutes the consideration for the releases from the Third Party Claimants and the Debtors. The fact that the NEG is providing the NEG Release Consideration in return for the releases is not, and shall not, be construed as an admission or evidence that the Third Party Claimants have valid claims against any of the Released Parties.

**ARTICLE IV.  
ACCEPTANCE OR REJECTION OF PLAN; EFFECT OF REJECTION  
BY ONE OR MORE CLASSES OF CLAIMS OR INTERESTS**

**A. IMPAIRED CLASSES TO VOTE**

Each Holder of a Claim or Interest in an impaired Class shall be entitled to vote separately to accept or reject the Plan unless such Holder is deemed to accept or reject the Plan.

**B. ACCEPTANCE BY CLASS OF CREDITORS**

An impaired Class of Holders of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan. A Class of Holders of Claims shall be deemed to accept the Plan in the event that no Holder of a Claim within that Class submits a Ballot by the Voting Deadline.

**C. CRAMDOWN**

In the event that any impaired Class of Claims or Interests shall fail to accept the Plan in accordance with section 1129(a) of the Bankruptcy Code, the Debtors reserve the right to request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code or amend the Plan.

**ARTICLE V.  
IDENTIFICATION OF CLAIMS AND INTERESTS  
IMPAIRED AND NOT IMPAIRED BY THE PLAN**

**A. IMPAIRED AND UNIMPAIRED CLASSES**

**1. Techneglas**

Claims in Classes 1A and 2A are not impaired under the Plan. Claims and Interests in Classes 3A, 4A, 5A, and 6A are impaired under the Plan.

**2. NEG Ohio**

Claims and Interests in Classes 1B, 2B, 6B and 7B are not impaired under the Plan. Claims and Interests in Classes 3B, 4B, and 5B are impaired under the Plan.

**3. NEG America**

Claims in Classes 1C, 2C and 6C are not impaired under the Plan. Claims and Interests in Classes 3C, 4C and 5C are impaired under the Plan.

**B. IMPAIRED CLASSES TO VOTE ON PLAN**

The Claims included in Classes 3A, 4A, 5A, 6A, 3B, 4B, 5B, 3C, 4C, and 5C are impaired and entitled to receive distribution under the Plan and are therefore entitled to vote to accept or reject the Plan. .

**C. CONTROVERSY CONCERNING IMPAIRMENT**

In the event of a controversy as to whether any Class of Claims or Interests is impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

**ARTICLE VI.  
PROVISIONS FOR IMPLEMENTATION OF THE PLAN**

**A. ESTABLISHMENT OF THE POST CONFIRMATION ENTITY AND POST CONFIRMATION TRUSTEE**

If, in the sole discretion of Techneglas, the Post Confirmation Entity is established it shall be established to receive and dispose of in a commercially reasonable manner: (a) those assets of Techneglas that are unnecessary to maintain the business of NEG Distribution NewCo and to distribute the proceeds thereof and the proceeds of in accordance with the Post Confirmation Entity Agreement and this Plan; and (b) the residual interest in the Real Estate Entity following the disposition of the Real Estate Assets and payment of any liabilities on account of the Real Estate Assets. If the Post Confirmation Entity is established it shall be established for the primary purpose of liquidating its assets, will qualify as a liquidating trust as described in Treasury Regulation § 301.7701-4(d), and shall be treated as a grantor trust for United States federal income tax purposes with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Post Confirmation Entity. If the Post Confirmation Entity is established, Techneglas shall appoint the Post Confirmation Trustee, which trustee shall have the authority to manage the day-to-day operations of the Post Confirmation Entity including disposing of the Post Confirmation Assets, appearing as a party in interest, calculating distributions, paying taxes and such other matters as more particularly described in the Post Confirmation Entity Agreement. The Post Confirmation Entity expenses, including the expenses of the Post Confirmation Entity Trustee and its representatives, will be paid by the Post Confirmation Entity Agreement. Upon distributions under the Plan to all Techneglas Non-NEG Creditors, any residual assets or interests remaining in the Post Confirmation Entity shall be distributed to, or at the direction of, NEG or to NEG Distribution NewCo (as the case may be). **The Post Confirmation Entity, NEG Distribution NewCo, NEG, and the recipients of distributions from the Post Confirmation Entity, and/or NEG Distribution NewCo are not (and shall not be deemed to be) successors of Techneglas or successors or owner-operators of the Real Estate Entity.**

**B. ESTABLISHMENT OF REAL ESTATE ENTITY AND REAL ESTATE TRUSTEE**

The Real Estate Entity shall be established to receive and dispose of in a commercially reasonable manner, those Real Estate Assets of Techneglas that are unnecessary to maintain the business of NEG Distribution NewCo and to distribute the proceeds thereof and the proceeds of in accordance with the Real Estate Entity Agreement and this Plan. **Upon the Effective Date, all environmental-related Claims and Liens arising from the ownership or operation of Techneglas or the Real Estate Assets of Techneglas shall be, and are hereby, channeled solely to the Real Estate Entity.** The Real Estate Entity shall also

receive Techneglas' rights in any third party indemnifications relating to the Real Estate Assets and Cash in an amount approved by the Bankruptcy Court as sufficient to manage the property pending sale. ~~The Real Estate Entity will be established for the primary purpose of liquidating its assets, will qualify as a liquidating trust as described in Treasury Regulation § 301.7701-4(d), and shall be treated as a grantor trust for United States federal income tax purposes with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Real Estate Entity. Techneglas shall appoint the Real Estate Trustee, which trustee shall have the authority to manage the day-to-day operations of the Real Estate Entity including disposing of the Real Estate Assets, appearing as a party in interest, calculating distributions, paying taxes and such other matters as more particularly described in the Real Estate Entity Agreement.~~ The Real Estate Entity expenses, including the expenses of the Real Estate Entity Trustee and its representatives, will be paid by the Real Estate Entity. Upon the disposition of the Real Estate Assets and payment of any liabilities on account of the Real Estate Assets, any residual assets remaining in the Real Estate Entity shall be distributed to the Post Confirmation Entity. In the event that the PBGC chooses to opt-out of the Optional Release, the residual assets, if any, in the Real Estate Entity shall be liquidated and the proceeds thereof shall be distributed by the Real Estate Trustee to NEG on account of the NEG Claims and NEG Interests against Techneglas. The Real Estate Entity is not (and shall not be deemed to be) a successor of Techneglas. **The Post Confirmation Entity, NEG Distribution NewCo, NEG and the recipients of distributions from the Post Confirmation Entity, the Real Estate Entity and/or NEG Distribution NewCo are not (and shall not be deemed to be) responsible for any Claims against the Real Estate Entity, including, without limitation, the environmental-related Claims channeled to the Real Estate Entity.**

### **C. CREATION OF NEG DISTRIBUTION NEWCO**

Except as otherwise provided in this Plan, on the Effective Date, NEG Distribution NewCo shall be established. If established, NEG Distribution NewCo will be an ongoing business, wholly owned by NEG, created on the Effective Date that will (a) receive the Distribution Assets, and (b) except as otherwise provided in the Plan, receive all of the assets that remain in the Post Confirmation Entity (including any residual assets from the Real Estate Entity) following the Post Confirmation Entity's distributions to Techneglas Non-NEG Creditors; provided, however, in the event that there are no assets that are Distribution Assets all assets that would otherwise be distributed to NEG Distribution NewCo shall be distributed to, or at the direction of, NEG and Article VI.C.1 through Article VI.C.6 of this Plan shall have no force or effect.

#### **1. Issuance of New Securities; Execution of Related Documents**

On or as soon as practicable after the Effective Date, NEG Distribution NewCo shall issue all securities, notes, instruments, certificates and other documents of NEG Distribution NewCo required to be issued pursuant hereto, including, without limitation, the New Common Stock, which shall be distributed as provided herein. NEG Distribution NewCo shall execute and deliver such other agreements, documents and instruments, as is necessary to effectuate the Plan. All such securities, notes, instruments, certificates and documents shall be in form and substance satisfactory to NEG.

#### **2. Corporate Governance**

The Certificate of Incorporation or Articles of Incorporation, as applicable, of NEG Distribution NewCo shall, among other things: (a) prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code, and subject to further amendment as permitted by applicable law; (b) as to any classes of securities possessing voting power, provide for an appropriate distribution of such power among such classes, including, in the case of any class of equity securities having a preference over another class of equity securities with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in payment of such dividends; and (c) effectuate any other provisions of this Plan. The Certificates of Incorporation or Articles of Incorporation, as applicable, shall be in form and substance satisfactory to NEG. The Certificates of Incorporation or Articles of Incorporation,

as applicable, shall be filed with the Secretary of State or equivalent official in the jurisdiction of incorporation on or prior to the Effective Date and be in full force and effect without any further amendment as of the Effective Date.

### **3. Management of the NEG Distribution NewCo**

The existing officers of Techneglas shall serve initially in their current capacities as officers of NEG Distribution NewCo on and after the Effective Date. In accordance with section 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of any Person proposed to serve as a board member shall be included in the Exhibit Book. To the extent any Person proposed to serve as a board member is an insider, as such term is defined in section 101(31) of the Bankruptcy Code, the nature of any compensation for such Person shall be disclosed in the Exhibit Book on or before the Confirmation Hearing. The classification and composition of the boards of directors of the NEG Distribution NewCo shall be consistent with the NEG Distribution NewCo Charter and the NEG Distribution NewCo Bylaws. Each such director or officer shall serve from and after the Effective Date pursuant to the terms of the NEG Distribution NewCo Charter, the NEG Distribution NewCo Bylaws, or other constituent documents, and applicable state corporation law.

### **4. Corporate Action**

On the Effective Date or as soon thereafter as is practicable, Techneglas shall file with the Secretary of State of the State of Delaware, in accordance with the applicable statutes, rules, and regulations, the appropriate amendment to its Certificate of Incorporation. On the Effective Date, the approval and effectiveness of matters provided under this Plan involving the corporate structure of the NEG Distribution NewCo or corporate action by the NEG Distribution NewCo shall be deemed to have occurred and to have been authorized, and shall be in effect from and after the Effective Date without requiring further action under applicable law, regulation, order, or rule, including any action by the stockholders or directors of Techneglas as a Debtor and Debtor in Possession, or NEG Distribution NewCo.

### **5. Effectuating Documents and Further Transactions**

Each of the officers of Techneglas and NEG Distribution NewCo is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate, for and on behalf of Techneglas and NEG Distribution NewCo, to effectuate and further evidence the terms and conditions of this Plan, the transactions contemplated by this Plan, and any securities issued pursuant to this Plan.

### **6. Vesting of Distribution Assets**

#### **(a) Dopant Sources, Glass Resins and Distribution Business**

Except as otherwise provided in the Plan or any agreement, instrument, or other document relating thereto, on or after the Effective Date, all property of Techneglas related to the production of dopant sources, production of glass resins, and the ongoing distribution business shall vest in NEG Distribution NewCo, free and clear of all Liens and Claims including, without limitation, any Liens and Claims of the PBGC, provided, however, that in the event that the PBGC chooses to opt-out of the Optional Release, NEG Distribution NewCo will not receive assets related to the distribution of NEG's glass component products to United States customers.

#### **(b) Residual Post Confirmation Entity and Real Estate Entity Assets**

On or after the Effective Date, all of the assets that remain in the Post Confirmation Entity following the Post Confirmation Entity's distributions to Techneglas Non-NEG Creditors, including, any residual interest in the Real Estate Entity following the disposition of the Real Estate Assets and payment of any liabilities on

account of the Real Estate Assets, shall vest in NEG Distribution NewCo, free and clear of all Liens and Claims, including, without limitation, any Liens and Claims of the PBGC. In the event that the PBGC chooses to opt-out of the Optional Release, all of the assets that remain the Post Confirmation Entity following the Post Confirmation Entity's distributions to Techneglas Non-NEG Creditors, including any residual interest in the Real Estate Entity following the disposition of the Real Estate Assets and payment of any liabilities of account of the Real Estate Assets, shall be distributed to, or at the direction of, NEG on account of the NEG Claims against and NEG Interests in Techneglas.

On and after the Effective Date, NEG Distribution NewCo may operate its business and may use, acquire, or dispose of property without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

**D. REORGANIZED DEBTORS**

On the Effective Date, NEG Ohio and NEG America shall continue in existence as Reorganized NEG Ohio and Reorganized NEG America. Reorganized NEG Ohio will fund distributions pursuant to the Plan to all NEG Ohio Creditors, and Reorganized NEG America will fund distributions pursuant to the Plan to all NEG America Creditors. To the extent that there is a Reorganized Techneglas, Techneglas shall continue in existence as Reorganized Techneglas and will fund distributions pursuant to the Plan to all Techneglas Creditors.

**1. Issuance of New Securities; Execution of Related Documents**

As soon as practicable after the Effective Date, the Reorganized Debtors, respectively, may issue all securities, notes, instruments, certificates and other documents of the Reorganized Debtors, respectively, that are required or may be advisable to be issued pursuant to this Plan, if applicable, which shall be distributed as provided herein. The Reorganized Debtors, respectively, shall execute and deliver such other agreements, documents and instruments, as are necessary to effectuate the Plan.

**2. Corporate Governance**

The Certificates of Incorporation and Articles of Incorporation, as applicable, of NEG Ohio, NEG America, and Techneglas, if applicable, shall be amended to, among other things: (a) prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code, and subject to further amendment as permitted by applicable law; (b) as to any classes of securities possessing voting power, provide for an appropriate distribution of such power among such classes, including, in the case of any class of equity securities having a preference over another class of equity securities with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in payment of such dividends; and (c) effectuate any other provisions of this Plan.

**3. Management of the Reorganized Debtors**

The existing officers of NEG Ohio, NEG America, and Techneglas, if applicable, respectively shall serve initially in their current capacities as officers of the Reorganized Debtors, as applicable, on and after the Effective Date. In accordance with section 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of any Person proposed to serve as a board member shall be included in the Exhibit Book. To the extent any Person proposed to serve as a board member is an insider, as such term is defined in section 101(31) of the Bankruptcy Code, the nature of any compensation for such Person shall be disclosed in the Exhibit Book on or before the Confirmation Hearing. The classification and composition of the boards of directors of each of the Reorganized Debtors shall be consistent with each Reorganized Debtor's applicable Charter and each Reorganized Debtor's applicable Bylaws. Each such director or officer shall serve from and after the Effective



Date pursuant to the terms of each Reorganized Debtor’s applicable Charter, each Reorganized Debtor’s applicable Bylaws, or other constituent documents, and applicable state corporation law.

**4. Corporate Action**

Corporate actions consistent with this Plan shall be authorized and approved in all respects, in each case without further action under applicable law, regulation, order, or rule, including any action by the stockholders of the Debtors, the Debtors in Possession, or the Reorganized Debtors. On the Effective Date, the approval and effectiveness of matters provided under this Plan involving the corporate structure of the Reorganized Debtors or corporate action by the Reorganized Debtors shall be deemed to have occurred and to have been authorized, and shall be in effect from and after the Effective Date without requiring further action under applicable law, regulation, order, or rule, including any action by the stockholders or directors of the Debtors, the Debtors in Possession, or the Reorganized Debtors; provided, however, that any matters affecting the corporate structure of the Reorganized Debtors shall be subject to consultation with an approval by NEG.

**5. Effectuating Documents and Further Transactions**

Each of the officers of the respective Debtors and the Reorganized Debtors is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate, for and on behalf of each of the respective Debtors and their corollary Reorganized Debtors, to effectuate and further evidence the terms and conditions of this Plan, the transactions contemplated by this Plan, and any securities issued pursuant to this Plan.

**6. Reorganized NEG Ohio Revesting of Assets**

Except as otherwise provided in the Plan or any agreement, instrument, or other document relating thereto, on or after the Effective Date, all property of NEG Ohio and any property acquired by NEG Ohio pursuant to the Plan shall revest in NEG Ohio as Reorganized NEG Ohio, free and clear of all Liens and Claims, including, without limitation, any Liens and Claims of the PBGC. On and after the Effective Date, Reorganized NEG Ohio may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims or Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

**7. Reorganized NEG America Revesting of Assets**

Except as otherwise provided in the Plan or any agreement, instrument, or other document relating thereto, on or after the Effective Date, all property of NEG America and any property acquired by NEG America pursuant to the Plan shall revest in NEG America as Reorganized NEG America, free and clear of all Liens and Claims, including, without limitation, any Liens and Claims of the PBGC. On and after the Effective Date, Reorganized NEG America may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims or Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

**8. Reorganized Techneglas Revesting of Assets**

Except as otherwise provided in the Plan or any agreement, instrument, or other document relating thereto, on or after the Effective Date, in the event that there is a Reorganized Techneglas, all property of Techneglas and any property acquired by Techneglas pursuant to the Plan shall revest in Techneglas as Reorganized Techneglas, free and clear of all Liens and Claims, including, without limitation, any Liens and Claims of the PBGC. On and after the Effective Date, Reorganized Techneglas may operate its business until the Bankruptcy Court enters a final decree closing the Techneglas Chapter 11 Case in accordance with section

350 of the Bankruptcy Code, and may use, acquire, or dispose of property and compromise or settle any Claims or Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

**E. CORPORATE ACTION**

Upon the entry of the Confirmation Order by the Bankruptcy Court, all matters provided under the Plan involving the corporate structure of the Debtors shall be deemed authorized and approved without any requirement of further action by the Debtors, the Debtors’ shareholders or the Debtors’ boards of directors. In the event that there is a Post Confirmation Entity, Techneglas (and its board of directors) shall dissolve or otherwise terminate its existence following the Effective Date and is authorized to dissolve or terminate the existence of non-Debtor subsidiaries following the Effective Date. In the event that there is a Reorganized Techneglas, Techneglas (and its board of directors) shall dissolve or otherwise terminate its existence when the Bankruptcy Court enters a final decree closing the Techneglas Chapter 11 Case in accordance with section 350 of the Bankruptcy Code.

**F. PRESERVATION OF CAUSES OF ACTION**

Except as otherwise provided in the Plan, including, without limitation, Article III.E of the Plan, the Confirmation Order, or in any document, instrument, release or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, to the maximum extent permitted under the Bankruptcy Code, the Debtors shall retain all Causes of Action, including the Causes of Action listed in the Exhibit Book. Thus, (a) NEG Distribution NewCo, or Reorganized Techneglas, as applicable, may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of Techneglas’ Causes of Action; (b) Reorganized NEG Ohio may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of NEG Ohio’s Causes of Action; and (c) Reorganized NEG America may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of NEG America’s Causes of Action.

**1. Bankruptcy Causes of Action**

The respective Debtors are currently investigating whether to pursue potential Causes of Action against any Creditors, Entities, or other Persons, but not as against the Released Parties. The investigation has not been completed to date, and under the Plan, the Post Confirmation Trustee and the Reorganized Entities, as applicable, retain the right on behalf of each of the respective Debtors and Reorganized Debtors to commence and pursue any and all Causes of Action. Potential Causes of Action currently being investigated by one or more of the Debtors, which may, but need not, be pursued by each of the respective Debtors before the Effective Date or by the Post Confirmation Trustee and the Reorganized Entities, as applicable, after the Effective Date include, without limitation, the following Causes of Action:

- (i) All actual or potential avoidance actions pursuant to any applicable section of the Bankruptcy Code including, without limitation, sections 544, 545, 547, 548, 549, 550, 551, 553(b) and/or 724(a) of the Bankruptcy Code, arising from any transaction involving or concerning the Debtors, and among others, without limitation, those entities listed in the Exhibit Book;
- (ii) All actual or potential actions, whether legal, equitable or statutory in nature, for, or in any way involving, the collection of accounts receivable or general ledger items that are due and owing to the Debtors, including without limitation trade receivables, rent and other lease and sublease charges, franchise and/or license fees, payments due under equipment leases and licenses, other miscellaneous charges, and principal and interest on promissory notes by any Person or Entity (collectively, the “Accounts Receivable”), including, but not limited to, the Accounts Receivable owed by those customers listed in the Exhibit Book;

- (iii) All actual actions or potential actions of Techneglas, whether legal, equitable or statutory in nature, against Johnson Matthey, including, but not limited to, for overpayment for the de-alloying of precious metals used in connection with the Debtors' business or operations of Techneglas.
- (iv) All actual actions or potential actions of Techneglas, whether legal, equitable or statutory in nature, against the State of Ohio, including, but not limited to, for overpayment of workers' compensation obligations.
- (v) All actual actions or potential actions of Techneglas, whether legal, equitable or statutory in nature, against the State of Pennsylvania, including, but not limited to, for overpayment of workers' compensation obligations.
- (vi) All actual actions or potential actions of NEG America, whether legal, equitable or statutory in nature, against (a) CIT Technology Financing Services, Inc., as assignee and successor in interest to Norvergence for the breach of an Equipment Rental Agreement (901-0008935-000) dated June 20, 2003 for Matrix Box, and (b) Wells Fargo Financial Leasing, Inc. for the breach of an Equipment Rental Agreement (006-0002228-001) dated May 18, 2004 for Matrix Box.
- (vii) All actual actions or potential actions, whether legal, equitable or statutory in nature, against customers, including, but not limited to, those customers listed in the Exhibit Book, for Accounts Receivable, improper setoff, overpayment, or any other claim arising out of the customer relationship;
- (viii) All actual actions or potential actions, whether legal, equitable or statutory in nature, against vendors, including, but not limited to, those vendors listed in the Exhibit Book, for overpayment, improper setoff, warranty, indemnity, retention of double payments, retention of misdirected wires, deductions owing or improper deductions taken, claims for damages, or any other claim arising out of the vendor relationship;
- (ix) All actual or potential actions, whether legal, equitable or statutory in nature, against Persons or Entities including vendors with respect to prepetition violations of applicable federal or state securities laws;
- (x) All actual or potential breach of contract actions against any customers, vendors or Entities who improperly terminated their contracts with the Debtors or who violated the automatic stay after the Petition Date, including, but not limited to, those customers or vendors listed in the Exhibit Book;
- (xi) All actual or potential actions, whether legal, equitable or statutory in nature, against landlords, lessees, sublessees, or assignees arising from various leases, subleases and assignment agreements relating thereto, including, without limitation, actions for unpaid rent, overcharges relating to taxes, common area maintenance and other similar charges, including, but not limited to, those claims identified in the Exhibit Book;
- (xii) All actual or potential actions, whether legal, equitable or statutory in nature, against the Debtors' current or former insurance carriers to recover unpaid reimbursements and claims, overpayment of premiums and fees, claims for breach of contract, indemnity obligations or coverage, including, but not limited to, those insurers listed in the Exhibit Book;
- (xiii) All actual or potential actions of Techneglas, whether legal, equitable or statutory in nature, against Persons or Entities including insurance companies and directors.**

**officers and employees arising out of indemnification obligations and insurance coverage related thereto:**

- (xiv)** ~~(xiii)~~ All actual or potential Causes of Actions, whether legal, equitable or statutory in nature, against purchasers of assets from the Debtors relating to breach of the purchase agreement or unpaid compensation thereunder, including, but not limited to, those purchasers listed in the Exhibit Book;
- (xv)** ~~(xiv)~~ Any and all rights to payment against any taxing authority listed for any tax refunds, credits, overpayments or offsets that may be due and owing to the Debtors for taxes that the Debtors may have paid to any such taxing authority;
- (xvi)** ~~(xv)~~ All actions or potential actions, whether legal, equitable or statutory in nature, relating to deposits or other amounts owed by any creditor, lessor, utility, supplier, vendor, landlord, sub-lessee, assignee or other Person or Entity;
- (xvii)** ~~(xvi)~~ All actions or potential actions, whether legal, equitable or statutory in nature, relating to environmental and product liability matters;
- (xviii)** ~~(xvii)~~ All actions or potential actions, whether legal, equitable or statutory in nature, arising out of, or relating to, the Debtors' intellectual property rights;
- (xix)** ~~(xviii)~~ Any litigation or lawsuit initiated by any of the Debtors that is currently pending, whether in the Bankruptcy Court, or any other court or tribunal or initiated against the Debtors after the Petition Date for which the Debtors may have counterclaims or other rights, including, but, not limited to, those actions listed in the Exhibit Book;
- (xx)** ~~(xix)~~ All actual or potential contract and tort actions that may exist or may subsequently arise; and
- (xxi)** ~~(xx)~~ All actual or potential actions whether legal, equitable or statutory in nature, arising out of, or in connection with the Debtors' business or operations, except actions against the Releasees to the extent they are released by the Plan.

The above categories of preservation of causes of action shall not be limited in any way by reference to the Exhibit Book, nor are the categories intended to be mutually exclusive.

In addition, there may be numerous other Causes of Action which currently exist or may subsequently arise that are not set forth herein, because the facts upon which such Causes of Action are based are not fully or currently known by the Debtors and, as a result, cannot be specifically referred to herein (collectively, the "Unknown Causes of Action"). The failure to list any such Unknown Causes of Action herein is not intended to limit the rights of the Reorganized Entities, as applicable, to pursue any Unknown Cause of Action to the extent the facts underlying such Unknown Cause of Action become fully known to the Debtors.

## **2. Settlement of Causes of Action**

At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in this Plan to the contrary, any of the respective Debtors may settle any or all retained Causes of Action relating to their respective bankruptcy case with the approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019. Notwithstanding the foregoing and anything in this Plan to the contrary, after the Effective Date, the Post Confirmation Trustee and the Reorganized Entities, as applicable, may settle any or all Causes of Action without approval of the Bankruptcy Court.

## **3. Vesting in the NEG Distribution NewCo and the Reorganized Debtors**

Except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with section 1123(b)(3) of the Bankruptcy Code, any claims, rights, and Causes of Action that the respective Debtors, the Reorganized Debtors and NEG Distribution NewCo, as applicable, may hold against any Entity, shall vest in or revert in the Reorganized Debtors and NEG Distribution NewCo, as applicable, and the Reorganized Debtors and NEG Distribution NewCo, as applicable, shall retain and may exclusively enforce, any and all such claims, rights, or Bankruptcy Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors and NEG Distribution NewCo, as applicable. The Reorganized Debtors and NEG Distribution NewCo shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any and all such claims, rights, and Bankruptcy Causes of Action without the consent or approval of any third party and without any further order of the Bankruptcy Court or any other court.

## **4. Preservation of Rights to Contested Liens and Security Interests**

The respective Debtors have preserved and continue to reserve their rights to contest the validity, priority, extent and amount of any asserted Liens and security interests of any Holder of Secured Claims in Assets, including without limitation: security deposits; letter of credit or bond proceeds; equipment; Cash and Cash Equivalents; contracts; and securities.

## **5. Indemnification and Reimbursement Obligations**

There currently is directors and officer liability insurance coverage in place with respect to the Techneglas officers and directors. Techneglas, NEG Distribution NewCo and Reorganized Techneglas, as applicable, shall assume the pre-Effective Date obligations to the Techneglas directors and officers solely to the extent that such obligations are covered by directors and officers insurance policies. Other than as set forth in the preceding sentence, the Post Confirmation Entity shall not be liable or responsible in any way for any pre-Effective Date obligations to the Techneglas directors and officers.

## **G. CANCELLATION OF NOTES, INSTRUMENTS, DEBENTURES AND EQUITY SECURITIES**

All Interests in Techneglas, except to the extent provided otherwise in the Plan, including any and all current debt instruments and NEG Interests, preferred shares, common shares, and/or other forms of equity security or other interests shall be deemed extinguished and the certificates and all other documents representing such Interests shall be deemed canceled and of no force and effect.

On the Effective Date, except to the extent provided otherwise in the Plan, all notes, instruments, certificates and other documents evidencing Claims and all Equity Securities in Techneglas shall be cancelled and deemed terminated and surrendered (regardless of whether such notes, instruments, debentures, certificates or other documents are in fact surrendered for cancellation to the appropriate indenture trustee or other such person), except for purposes of distribution in accordance with the terms of the Plan.

**H. RESERVES**

Any reserves maintained by the Reorganized Entities, as the case may be, in connection with the distribution of funds on account of Allowed Claims, may be maintained by bookkeeping entries alone; the Reorganized Entities, as the case may be, need not (but may) establish separate bank accounts for such purposes.

**ARTICLE VII.  
PROVISIONS FOR TREATMENT OF DISPUTED CLAIMS  
UNDER THE PLAN**

**A. OBJECTIONS TO CLAIMS; PROSECUTION OF DISPUTED CLAIMS**

1. After the Effective Date, each of the Claims Managers, as applicable, shall object (and shall take over, and continue prosecuting, any outstanding objections by its respective Debtor) to the allowance of Claims or Interests filed with the Bankruptcy Court with respect to which they dispute liability or allowance in whole or in part. All objections will be litigated to Final Order; provided, however, that each Claims Manager, as applicable, (within such parameters as may be established by Post Confirmation Entity or the Reorganized Debtors) shall have the authority and sole discretion for its respective Debtor to file, settle, compromise or withdraw any objections to Claims, without approval of the Bankruptcy Court.

2. There shall be no deadline to object to or investigate and review Claims, and any objections to Claims and settlement thereof shall be dealt with as each respective Claims Manager, as applicable, in its sole and absolute discretion, deem to be appropriate. Further, each respective Claims Manager, as applicable, shall have the sole and absolute discretion to decide not to review and/or object to proofs of Claim below a certain dollar amount because such review and/or objection would not be economically practical.

3. Finally, unless otherwise provided in the Plan or the Post Confirmation Entity Agreement, court approval shall not be required in order for each respective Claims Manager, as applicable, to settle and/or compromise any Claim, objection to Claim, cause of action, or right to payment of or against the Post Confirmation Entity, Reorganized NEG Ohio, Reorganized NEG America, or Reorganized Techneglas, as applicable.

**B. ESTIMATION OF CLAIMS**

Any of the Debtors or the Claims Managers, as applicable, may ~~at any time~~ request that the Bankruptcy Court estimate any contingent or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code in respect to its estate, regardless of whether any such Debtor, or Claims Manager, as applicable, previously objected to such Claim or whether the Bankruptcy Court ruled on any such objection, ~~and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Subject to the provisions of section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any contingent or Disputed Claim, the amount so estimated will constitute the allowed amount of such Claim. If the estimated amount constitutes a maximum limitation on the amount of such Claim, each respective Debtor or Claims Manager, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court~~ as long as such Claim is a contingent or disputed Claim.

**C. PAYMENTS AND DISTRIBUTIONS ON DISPUTED CLAIMS**

No interest will be paid on Disputed Claims that later becomes Allowed or with respect to any distribution to such Holder. No distribution will be made with respect to all or any portion of any Disputed Claim pending the entire resolution thereof in the manner prescribed in the Plan.

**D. DISPUTED CLAIMS RESERVE**

The Post Confirmation Entity or Reorganized Entities, as applicable, shall maintain, in accordance with the Post Confirmation Entity's or Reorganized Debtors' powers and responsibilities as described herein and in the Post Confirmation Entity Agreement, a reserve of any distributable amounts required to be set aside on account of Disputed Claims in the applicable Chapter 11 Case. Such amounts shall be distributed, as provided herein, as such Disputed Claims are resolved by settlement or Final Order, and shall be distributable on account of such Disputed Claims as such amounts would have been distributable had the Disputed Claims been Allowed Claims as of the applicable Effective Date.

**E. DISALLOWANCE OF CLAIMS**

Except as otherwise provided in the Plan, all Claims held by Entities against a Debtor which such Debtor has or has asserted a cause of action under sections 542, 543, 550, 551 or 552 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under sections 544, 545, 547, 548, 549 or 553 of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, ~~and Holders of such Claims may not vote to accept or reject the Plan, both consequences;~~ **such consequence** to be in effect until such time as such causes of action against that Entity have been settled or a Final Order entered and all sums due the respective Debtor by that Entity are turned over to the proper Debtor, Post Confirmation Entity, Post Confirmation Trustee or Reorganized Debtor, as applicable. ~~Any and all Claims filed with the Bankruptcy Court after the relevant Bar Date shall be disallowed, and Holders of such Claims may not vote to accept or reject the Plan. Any Claim that is not Allowed shall be barred and the Holder of such Claim shall be subject to the discharge and injunction in Article ~~XXVI~~ of the Plan.~~

**ARTICLE VIII.  
PROVISIONS REGARDING DISTRIBUTIONS**

**A. REQUIREMENT FOR ALLOWANCE OF CLAIMS**

No payments or other distributions will be made on account of any Claim that is not "Allowed" as set forth in the Plan. All distributions under the Plan shall be received by Creditors free and clear of Liens and Claims, including, without limitation, any Liens and Claims of the PBGC. No distributions shall be made to Non-NEG Creditors under the Plan unless and until distributions under the Plan are made on account of all NEG Claims and NEG Interests free and clear of Liens and Claims in satisfaction of Article XIII.B.6 of this Plan.

**B. TIME AND METHOD OF DISTRIBUTIONS**

Except as otherwise provided in the Plan, all distributions under the Plan will be made by the respective Claims Manager, as applicable, as the case may be, or, with respect to distributions related to Claims against Techneglas, such other Entity as may be designated by Reorganized Techneglas or the Post Confirmation Entity, as applicable.

Initial distributions will be made by the respective Claims Managers, as applicable, in its sole discretion on the Distribution Date. Whenever any distribution to be made under the Plan is due on a day other than a Business Day, such distribution will instead be made, without interest, on the immediately succeeding Business Day, but will be deemed to have been made on the date due.

Subject to the provisions of Bankruptcy Rule 2002(g), and except as provided in the Plan, distributions and deliveries to Holders of Allowed Claims will be made at the address of each such Holder set forth on the respective Debtors' Schedules filed with the Bankruptcy Court, unless superseded by the address set forth on proof(s) of claim filed by such Holders, or at the last known addresses of such Holder if no proof of the Claim has been filed or if the applicable Debtor has been notified in writing of a change of address.

**C. MANNER OF PAYMENT UNDER THE PLAN**

Any payment in Cash to be made under the Plan shall be made at the election of the respective Claims Manager, as applicable, by check drawn on a domestic bank or by wire transfer from a domestic bank.

**D. UNDELIVERABLE DISTRIBUTIONS**

**1. Holding of Undeliverable Distributions**

If any distribution to any Holder is returned to any Claims Manager as undeliverable, no further distributions will be made to such Holder unless and until such Claims Manager is notified, in writing, of such Holder's then-current address. Undeliverable distributions will remain in the possession of the respective Claims Manager until such time as a distribution becomes deliverable. All Entities ultimately receiving distributions that were previously undeliverable will not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan will require any Claims Manager, Reorganized Debtor or Post Confirmation Entity to attempt to locate any Holder of an Allowed Claim.

**2. Failure to Claim Undeliverable Distributions**

Any Holder of an Allowed Claim that does not ~~assert its rights~~ **notify the appropriate Claims Manager, in writing, of such Holder's current address** pursuant to the Plan to receive a distribution on or before ~~the first anniversary of the Effective Date~~ **one year after the date a distribution is made** shall have its Claim for such undeliverable distribution discharged and will be forever barred from asserting any such Claim against the Post Confirmation Entity or the Reorganized Debtors, or their property. In such case, any consideration held for distribution on account of such Claim will revert to the Post Confirmation Entity or the appropriate Reorganized Debtor for further distribution pursuant to the terms of the Plan.

**E. ALLOCATION OF PLAN DISTRIBUTIONS BETWEEN PRINCIPAL AND INTEREST**

To the extent that any Allowed Claim entitled to a distribution under this Plan consists of indebtedness and accrued but unpaid interest thereon, such distribution shall, for federal income tax purposes, be allocated first to the principal amount of the Claim and then, to the extent the distribution exceeds the principal amount of the Claim, to the accrued but unpaid interest.

**F. COMPLIANCE WITH TAX REQUIREMENTS/ALLOCATION**

To the extent applicable, the Post Confirmation Entity and the Reorganized Debtors will comply with all tax withholding and reporting requirements imposed on them by any governmental unit and all distributions pursuant to the Plan will be subject to such withholding and reporting requirements. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest.

**G. TIME BAR TO CASH PAYMENTS**

Checks issued by any Claims Manager on account of any Allowed Claim will be null and void if not negotiated within ninety days from and after the date of issuance thereof. Requests for the reissuance of any check will be made directly to the appropriate Claims Manager, as applicable, by the Holder of the Allowed



Claim with respect to which such check originally was issued. Any Claim relating to such a voided check must be made on or before the later of (a) the first anniversary of the Effective Date, or (b) one-hundred and eighty days after the date of issuance of such check. After such date, all Claims relating to such void checks will be discharged and forever barred and the Post Confirmation Entity or the appropriate Reorganized Debtor will retain all monies related thereto for further distribution pursuant to the terms of the Plan.

**H. DISTRIBUTIONS AFTER EFFECTIVE DATE**

Distributions made after the Effective Date to Holders of Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims will be deemed to have been made on the Effective Date.

**I. FRACTIONAL DOLLARS ; DE MINIMIS DISTRIBUTIONS**

Notwithstanding anything contained herein to the contrary, any Reorganized Entity or the Post Confirmation Entity may, in its sole discretion, determine that payments of fractions of dollars will not be made. In such an event, whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest dollar (up or down), with half dollars being rounded down. Any of the Reorganized Debtors or the Post Confirmation Entity may, in their sole discretion, determine not to make any payment of less than Ten Dollars (\$10) on account of any Allowed Claim unless a request therefor is made in writing to the appropriate Claims Manager on or before ninety days after the Effective Date.

**J. SET-OFFS**

Any Claims Manager may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account thereof (before any distribution is made on account of such Claim), the Claims, rights and causes of action of any nature that the respective Debtor may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a set-off nor the allowance of any Claim hereunder shall constitute a waiver or release by such respective Debtor of any such Claims, rights and causes of action that such respective Debtor may possess against such Holder.

**K. SUBORDINATION RIGHTS**

Except as otherwise ordered by the Bankruptcy Court, on the Effective Date, each Holder of a Claim shall be deemed to have waived all contractual, legal and equitable subordination rights which it may have, whether arising under general principles of equitable subordination, section 510(c) of the Bankruptcy Code or otherwise, with respect to any and all distributions to be made under the Plan, and all such contractual, legal or equitable subordination rights that each Holder of a Claim has individually and collectively with respect to any such distribution made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights will be permanently enjoined. Only if so otherwise ordered, then, all subordination rights and Claims determined by such order related to subordination shall remain valid, enforceable and unimpaired in accordance with section 510 of the Bankruptcy Code or otherwise.

**L. SETTLEMENT OF CLAIMS AND CONTROVERSIES**

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise of (a) all Claims or controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have ~~with respect to any Allowed~~ on account of such Claim with respect thereto; (b) any distribution to be made on account of such an Allowed Claim; or (c) all Claims and Causes of Action of ~~the Debtors~~ Techneglas and the Third Party Claimants against the Released Parties in these Chapter 11 Cases. The entry of the Confirmation

Order shall constitute the Bankruptcy Court’s approval of the compromise or settlement of all such Claims or controversies and the Bankruptcy Court’s finding that such compromise or settlement is in the best interests of the Debtors and their respective Trusts and Holders of Claims and is fair, equitable and reasonable.

**ARTICLE IX.  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. REJECTION OR ASSUMPTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Any executory contracts or unexpired leases of Techneglas which have not expired by their own terms on or prior to the Effective Date (including any indemnification obligations), which have not been assumed, assumed and assigned, or rejected with the approval of the Bankruptcy Court, or which Techneglas has obtained the authority to reject but has not rejected as of the Effective Date, or which are not the subject of a motion to assume pending as of the Effective Date, shall be deemed rejected by Techneglas on the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court will constitute approval of such rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

Any executory contracts or unexpired leases of NEG Ohio or NEG America which have not expired by their own terms on or prior to the Effective Date, which have not been assumed, assumed and assigned, or rejected with the approval of the Bankruptcy Court, or which are not the subject of a motion to reject pending as of the Effective Date, shall be deemed assumed by NEG Ohio or NEG America, as applicable, on the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court will constitute approval of such assumption pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

As an exception to the foregoing, NEG America hereby rejects the following unexpired leases: (a) Equipment Rental Agreement with CIT Technology Financing Services, Inc., as assignee and successor in interest to Norvergence (901-0008935-000) dated June 20, 2003 for Matrix Box, and (b) Equipment Rental Agreement with Wells Fargo Financial Leasing, Inc. (006-0002228-001) dated May 18, 2004 for Matrix Box.

**B. REJECTION DAMAGE CLAIMS**

Any Rejection Damage Claim must be delivered to the Clerk of the Court, at the United States Bankruptcy Court for the Southern District of Ohio, 170 North High Street, Columbus, Ohio 43215, so as to be received on or before 4:00 p.m., prevailing Eastern Time, thirty days after the Effective Date (or as may be otherwise ordered by the Court). Any Creditor who fails to file timely a Rejection Damage Claim resulting from a rejection in the Plan shall be forever barred, estopped, and enjoined from asserting such Claim that such Creditor possesses against any of the Debtors, and from receiving distributions under the Plan for such Claim.

**C. INDEMNIFICATION AND REIMBURSEMENT OBLIGATIONS**

Subject to Article VI.F of the Plan, the obligations of Techneglas and/or Reorganized Techneglas, as applicable, if any, (a) to their directors and officers, to the extent that such obligations are covered by director and officer policies, and (b) to maintain director and officer coverage for the benefit of their pre-Effective Date directors and officers, to the extent that such coverage was in place on the Effective Date, shall be deemed assumed by Reorganized Techneglas or the Post Confirmation Entity, as applicable, on the Effective Date without any further action by any Entity.

**ARTICLE X.  
COLLECTIVE BARGAINING AGREEMENTS**

**A. COLLECTIVE BARGAINING AGREEMENTS**

Any and all of the Techneglas collective bargaining agreements, shall be deemed terminated upon satisfaction of the Techneglas' obligations under the MOUs, provided, however, that the USWA Union collective bargaining agreement covering employees at the Techneglas Perrysburg, Ohio facility shall continue in full force and effect in accordance with the USWA MOU after the Effective Date. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such terminations pursuant to sections 1113 and 1123 of the Bankruptcy Code and the MOU Orders.

**ARTICLE XI.  
PENSION PLANS**

~~{To be supplemented}~~

In accordance with the PBGC MOU, Techneglas agrees to terminate the Salary Plan through a standard termination pursuant to Section 4041 of ERISA (the "Standard Termination"). Techneglas will make the Salary Plan sufficient at or before the date of distribution of assets in accordance with 29 CFR § 4041.21(b). To carry out the commitment, (a) no later than twenty (20) days after the Effective Date, Techneglas will deposit \$23 million into a reserve fund subject to oversight of the Court or into an escrow account in a United States depository acceptable to the PBGC and pursuant to an escrow agreement between Techneglas and the PBGC (the "Reserve Account"), and (b) no later than ninety (90) days after the Effective Date, Techneglas will deposit an additional \$2 million into the Reserve Account. The amount necessary to fund the Salary Plan from the Reserve Account in connection with the Standard Termination will be used solely for such purpose and such amount shall be solely and exclusively for the benefit of the Salary Plan. Techneglas will initiate the Standard Termination by issuing a notice of intent to terminate in accordance with 29 CFR § 4041.23 no later than ten (10) days after the Effective Date.

Techneglas will make minimum funding contributions (which may be paid from the Reserve Account) and PBGC premium payments with respect to the Salary Plan to the extent required under applicable law throughout the period of the Standard Termination. The PBGC will issue an initial determination of its audit findings, if any, with respect to the Standard Termination no later than twelve (12) months after the filing of a post-distribution certification with respect thereto. Upon filing of the post-distribution certification, the amount by which (a) the fair market value of the Reserve Account on the date the post-distribution certification is filed (b) exceeds \$1 million, will revert to Techneglas (or an entity to which Techneglas assigns such rights and interests as directed to the depository in writing by Techneglas) (the "Reserve Payee"). The balance of the Reserve Account will revert to the Reserve Payee on the earlier of (x) the date Techneglas satisfies the liability determined by the PBGC in conjunction with any Standard Termination audit performed by the PBGC, (y) the date the PBGC expressly waives its right to conduct such audit in writing to Techneglas, and (z) the one (1) year anniversary date of the date Techneglas distributed assets to Salary Plan participants as part of the Standard Termination (the "Anniversary Date"); provided, however, that if, on the Anniversary Date, Techneglas and the PBGC are involved in good faith negotiations regarding disputed audit liability, the undisputed portion of the Reserve Account will revert to the Reserve Payee on the Anniversary Date and the remaining balance of the Reserve Account, if any, will revert to the Reserve Payee when such dispute is settled voluntarily or adjudicated through United States District Court after exhaustion of the appeal process (or any other dispute resolution system agreeable to Techneglas and the PBGC). Techneglas will not declare or pay a dividend to any shareholder until after the date the post-distribution certification is filed.

Techneglas and the PBGC will use their best efforts to expedite (a) the Standard Termination so that distributions are completed within the minimum time frame permitted under applicable law and (b) any audit of the Salary Plan in conjunction with the Standard Termination. Techneglas will use its best efforts to (x) provide the PBGC with information relating to the proposed distributions during the Standard Termination process, (y) minimize the risk of any adverse audit findings, if any, and (z) lock in annuity rates upon the Effective Date.

For purposes of Section 302 of ERISA, and Section 412 of the IRC, the Settlement Amount shall be applied first to satisfy any amounts due under the funding standard account of the Hourly Plan with respect to any and all periods ending on or before the last day of the plan year in which the Hourly Plan terminates. Receipt of the Settlement Amount constitutes satisfaction of all funding obligations, including the outstanding balance of the accumulated funding deficiencies due to the PBGC as statutory trustee of the Hourly Plan under Section 4062(c)(1) of ERISA, with respect to any and all periods ending on or before the last day of the plan year in which the Hourly Plan terminates. Nothing contained in this paragraph shall alter the PBGC's rights to determine benefit entitlements in any manner consistent with Title IV of ERISA.

## ARTICLE XII. STATUTORY AND UNOFFICIAL COMMITTEES

### A. THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

On the Effective Date, the OCUC will be dissolved and the members thereof and the professionals retained by the OCUC in accordance with section 1103 of the Bankruptcy Code will be released and discharged from their respective fiduciary obligations.

## ARTICLE XIII. CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVE DATE OF THE PLAN

### A. CONDITIONS PRECEDENT TO CONFIRMATION DATE OF THE PLAN

It shall be a condition to Confirmation hereof that all provisions, terms and conditions hereof are approved in the Confirmation Order; provided, however, that each Debtor may act independently to obtain confirmation of the Plan pursuant to the terms herein with respect to that Debtor.

### B. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE OF THE PLAN

The occurrence of the Effective Date and the substantial consummation of the Plan are subject to satisfaction of the following conditions precedent:

1. The Confirmation Order confirming the Plan, as the Plan may have been modified, shall have been entered and become a Final Order in form and substance satisfactory to the Debtors and NEG.

2. The Plan Documents, including the Post Confirmation Entity Agreement, the Real Estate Entity Agreement, and the NEG Distribution NewCo formation documents, necessary or appropriate to implement this Plan shall have been (a) executed, in a form and substance satisfactory to the Debtors and NEG, and, where applicable, (b) filed with the appropriate governmental or supervisory authorities.

3. The Certificates of Incorporation and Articles of Incorporation of the Reorganized Entities, as applicable, as amended in accordance with this Plan, shall be in a form and substance satisfactory to the Debtors and NEG and in full force and effect.

4. To the extent applicable, the Reorganized Debtors, the Post Confirmation Entity and the Real Estate Entity shall each have sufficient Cash to permit payment of all of its and, in the case of the Post Confirmation Entity, the Post Confirmation Trustee's projected fees, expenses and wind down costs.

5. To the extent, applicable, the new board of directors of NEG Distribution NewCo shall have been appointed.

6. All distributions received or to be received by Creditors pursuant to the Plan shall be free and clear of all Liens and Claims, including, without limitation, any Liens and Claims of the PBGC on the property and assets of NEG and its affiliates.

The Effective Date shall not occur in accordance with Article XIII.C. herein unless and until each of the foregoing conditions is either satisfied or, subject to Article XIII.C, waived by the Debtors. Notice of the occurrence of the Effective Date reflecting that the foregoing conditions have been satisfied or waived shall: (a) be signed by the Debtor;~~;~~ (b) state the date of the Effective Date; ~~and~~ (c) be Filed with the Bankruptcy Court by the Debtors' counsel; and (d) be served on all parties in interest. No waiver shall be effective unless it complies with the requirements of this provision.

If the Effective Date does not occur by ninety days after the date of entry of the Confirmation Order, each of the Debtors reserves the right to seek dismissal of its respective Chapter 11 Case. In the event that the Effective Date does not occur, all parties shall be returned to the position they would have held had the Confirmation Order not been entered. In such event, nothing contained herein or in any of the Plan Documents shall be deemed to constitute a waiver or release of any claims or defenses of, or an admission or statement against interest by, the Debtors or any other Entity or to prejudice in any manner the rights of the Debtors or any Entity in any further proceedings involving the Debtors.

#### **C. WAIVER OF CONDITIONS PRECEDENT**

To the extent practicable or legally permissible, each of the foregoing conditions precedent to the Effective Date of the Plan may be waived, in whole or in part, by any one Debtor in its sole discretion as such condition applies to that Debtor only, provided, however, that Article XIII.B.1, 2, 3, 4, and 6 may only be waived with the consent NEG. Any such waiver of a condition precedent may be effected at any time, without notice or leave or order of the Bankruptcy Court and without any formal action other than proceeding as if such condition did not exist. In the event that any one Debtor waives any of the conditions precedent to the Effective Date of the Plan, thereby rendering the Plan effective with respect to that Debtor, such action shall have no effect on the remaining Debtors, and the Plan shall not be deemed effective as to those remaining Debtors.

#### **ARTICLE XIV. RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain and have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases or the Plan, or (c) that relates to the following, in each case to the greatest extent permitted by applicable law:

1. to resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract, unexpired lease or collective bargaining agreement to which any of the Debtors is a party, as of the Effective Date, or with respect to which the applicable Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

2. to enter any such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and the documents contained in the Exhibit Book and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Exhibit Book;

3. to determine any and all motions, adversary proceedings, applications and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Post Confirmation Trustee or Post Confirmation Entity, or by the Real Estate Trustee or Real Estate Entity, after the Effective Date; provided, however, that the Post Confirmation Trustee and the Post Confirmation Entity, and the Real Estate Trustee and the Real Estate Entity, shall reserve the right to commence collection actions, actions to recover receivables and other similar actions in all appropriate jurisdictions;
4. to ensure that distributions to Holders of Allowed Claims are accomplished as provided in the Plan;
5. to hear and determine any timely objections to Administrative Claims and Priority Claims or to proofs of claim and interests filed, both before and after the Confirmation Date, including any objections to the classification of any Claim and to allow, disallow, determine, liquidate, classify, estimate or establish the priority of or secured or unsecured status of any Claim, in whole or in part;
6. to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed or vacated;
7. to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;
8. to consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;
9. to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;
10. to hear and determine disputes arising in connection with or relating to the Plan or the interpretation, implementation, or enforcement of the Plan or the extent of any Entity's obligations incurred in connection with or released or exculpated under the Plan;
11. to issue injunctions or other orders as may be necessary or appropriate to restrain interference by any Entity with consummation or enforcement of the Plan;
12. to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Post Confirmation Entity Agreement, the Real Estate Entity Agreement, NEG Distribution NewCo, the Confirmation Order or any contract, instrument release or other agreement or document created in connection with the Plan or the Disclosure Statement to be executed in connection with the Plan or the Post Confirmation Entity Agreement;
13. to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
14. to hear any other matter or for any purpose specified in the Confirmation Order that is not inconsistent with the Bankruptcy Code;
15. to hear and determine any matters that may arise in connection with any order of the Bankruptcy Court with respect to any of the foregoing; and
16. to enter a final decree closing the Chapter 11 Cases.

**ARTICLE XV.  
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

**A. MODIFICATION OF PLAN**

Each Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order as the Plan applies to such Debtor only. Upon entry of the Confirmation Order, each Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan as the Plan applies to such Debtor only, provided, however, should any proposed modification affect more than one Debtor, consent of all three Debtors shall be required. A Holder of a Claim or Creditor that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such Holder or the rights of such Creditor under the Plan.

**B. REVOCATION OR WITHDRAWAL**

Any one Debtor may revoke or withdraw the Plan as it applies to such Debtor prior to the Effective Date. If the Plan is revoked or withdrawn prior to the Confirmation Date as it applies to such Debtor, then the Plan shall be deemed null and void as to that Debtor. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by such Debtor or any other Entity or to prejudice in any manner the rights of such Debtor or any other Entity in any further proceedings involving such Debtor.

**ARTICLE XVI.  
EFFECT OF PLAN CONFIRMATION**

**A. TITLE TO ASSETS**

1. In accordance with section 1141 of the Bankruptcy Code, except as otherwise provided herein, on the Effective Date, (a) title to all Distribution Assets will vest in NEG Distribution NewCo, (b) title to all Real Estate Assets will vest in the Real Estate Entity, (c) if the Post Confirmation Entity is established all remaining assets of Techneglas will vest in the Post Confirmation Entity, (d) title to all NEG Ohio Assets will revest in Reorganized NEG Ohio, (e) title to all NEG America Assets will revest in Reorganized NEG America and (f) in the event that there is no Post Confirmation Entity, title to all Techneglas Assets, other than the Real Estate Assets, shall revest in Reorganized Techneglas. All vesting and revesting, as the case may be, of title shall be free and clear of all Liens and Claims, including, without limitation any Liens and Claims of the PBGC.

2. Except as otherwise provided in the Plan, the Post Confirmation Entity or Reorganized Techneglas (as the case may be) will (a) fund distributions pursuant to the Plan to all Techneglas Non-NEG Creditors, and (b) direct any residual assets to NEG Distribution NewCo. Upon disposition of the Real Estate Assets, any residual assets remaining in the Real Estate Entity will be distributed to the Post Confirmation Entity or Reorganized Techneglas (as the case may be) free and clear of all Liens and Claims, including, without limitation, any Liens and Claims of the PBGC.

**B. DISCHARGE OF CLAIMS AND TERMINATION OF INTERESTS**

Except as provided in the Confirmation Order, pursuant to section 1141(d) of the Bankruptcy Code, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan shall be in exchange for and in complete and full satisfaction, settlement, discharge and release of all Claims and termination of all Interests. Confirmation shall: (a) discharge the Debtors, the Reorganized Entities, the Post Confirmation Entity, and the Real Estate Entity from all Claims and other debts that arose before the Confirmation Date and

all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (i) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptcy Code or (ii) the Holder of a Claim based on such debt has accepted the Plan; and (b) except to the extent provided otherwise in this Plan terminate all Interests and other rights of equity security Holders in the Debtors.

As of the Confirmation Date, all Entities shall be precluded from asserting against the Debtors, their Estates, the Reorganized Entities, the Post Confirmation Entity, the Post Confirmation Trustee, the Real Estate Entity, the Real Estate Trustee, their respective successors or their property, any other or further Claims, debts, rights, causes of action, liabilities or Interests based upon any act, omission, transaction or other activity of any nature that occurred prior to the Confirmation Date. In accordance with the foregoing, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities and Interests of or in the Debtors, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtors, Reorganized Entities, the Post Confirmation Entity, or the Real Estate Entity at any time to the extent that such judgment relates to a discharged Claim or Interest.

**C. INJUNCTION**

1. Except as otherwise expressly provided in the Plan, all Entities who have held, hold or may hold Claims or Interests are permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of any such Claim or Interest against the Exculpation Beneficiaries; (b) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against the Exculpation Beneficiaries; (c) creating, perfecting or enforcing any encumbrance of any kind against the Exculpation Beneficiaries, or against the property or interests in property of the Exculpation Beneficiaries; and (d) asserting any defense or right of setoff, subrogation, or recoupment of any kind against any obligation due from the Exculpation Beneficiaries, or against the property or interests in property of the Exculpation Beneficiaries, with respect to any such Claim or Interest.

**By accepting distributions pursuant to the Plan, each Holder of an Allowed Claim or Allowed Interest receiving distributions pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth herein.**

2. Except as provided in the Plan, as of the Effective Date, all non-Debtors are permanently enjoined from commencing or continuing in any manner, against any Entity, any action or proceeding, whether directly, derivatively, on account of, or respecting any Claim, debt, right or cause of action of the Exculpation Beneficiaries, which the Debtors or the Exculpation Beneficiaries, as the case may be, retain sole and exclusive authority to pursue in accordance with the Plan or which has been released pursuant to the Plan.

**D. TERM OF EXISTING INJUNCTIONS OR STAYS**

Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Cases pursuant to sections 105, 362 or 525 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date.

**E. EXCULPATION**

As of the Effective Date, except with respect to the Inter-Corporate Obligations, no Exculpation Beneficiaries shall have or incur any liability to, or be subject to any right of action by, the Debtors or any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, shareholders, employees, representatives, financial advisors, attorneys or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of: (a) any act taken or omitted to be taken on or after the Petition Date; (b) the Disclosure Statement, the Plan, and the documents necessary to effectuate the Plan; (c) the solicitation of acceptances and rejections of the Plan; (d) the Chapter 11 Cases; (e) the



administration of the Plan; (f) the distribution of property under the Plan; or (g) any contract, instrument, release or other agreement or document created or entered into in connection with the Plan or the Chapter 11 Cases, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

**F. RELEASES BY TECHNEGLAS**

As of the Effective Date, except as otherwise provided in this Plan and except with respect to the Inter-Corporate Obligations or with respect to performance due by a counterparty to any executory contract or unexpired lease assumed by Techneglas or elsewhere in the Plan, Techneglas, in its individual capacity and as Debtor in Possession, for itself and on behalf of any Entity (including, without limitation, any direct and indirect subsidiaries; each of such Entities' officers, directors, and affiliates; each of such Entities' present and former parent corporations, and direct and indirect subsidiaries and affiliates; each of such Entities' present and former shareholders, officers, directors, and employees; each of such Entities' present and former attorneys, advisors, and consultants; and any Creditor, Interest Holder or party in interest) claiming through Techneglas or by reason of any damage to Techneglas and/or damage resulting from affiliation or in connection with Techneglas, shall forever release, waive, and discharge all claims, obligations, suits, judgments, demands, debts, rights, Causes of Action, and liabilities, whether direct or derivative, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that are based in whole or in part on any act or omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to: (i) Techneglas; (ii) the operation, management, or governance of Techneglas; and (iii) any loan from, contract with, or transaction involving Techneglas, against the current and former directors, officers and employees (in their capacities as such) of Techneglas or any of Techneglas' parent, subsidiary or affiliate entities. The foregoing release shall not apply to, and Techneglas shall retain all rights to pursue: (i) any Claim or Cause of Action against any Person on account of any loan by Techneglas or money owed to Techneglas from any such Person; and (ii) any Claim or Cause of Action arising out of or relating to any act or omission of any Person that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner that such Person reasonably believed to be in the best interests of the corporation (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct, gross negligence or fraud.

**G. MUTUAL RELEASES**

As of the Effective Date, except as otherwise provided in this Plan, and except with respect to Inter-Corporate Obligations, the Releasing Parties, for themselves and on behalf of any Entity claiming through them or by reason of any damage to them and/or damage resulting from affiliation or in connection with them, shall forever release, waive and discharge all claims, obligations, suits, judgments, demands, debts, rights, causes of action and liabilities, whether direct or derivative, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, against any of the Released Parties that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Chapter 11 Cases or the Plan. The foregoing release shall not apply to, and the Debtors shall retain all rights to pursue: (i) any Claim or Cause of Action preserved pursuant to Article VI.F of the Plan; (ii) any Claim or Cause of Action against any Person on account of any loan by the Debtors or money owed to the Debtors from any such Person; and (iii) any Claim or Cause of Action arising out of or relating to any act or omission of any Person that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner that such Person reasonably believed to be in the best interests of the corporation (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct, gross negligence or fraud.

**ARTICLE XVII.**  
**MISCELLANEOUS PROVISIONS**

**A. PAYMENT OF STATUTORY FEES**

All fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on and after the Effective Date from the Post Confirmation Entity and the Reorganized Entities, as applicable, in the manner and to the extent required by applicable law. After confirmation, the respective Debtors, Post Confirmation Entity, and the Reorganized Entities, as applicable, shall file with the Bankruptcy Court and with the Office of the United States Trustee a quarterly post confirmation report, in the format specified by the United States Trustee, for each quarter that the respective Chapter 11 Cases remain open.

**B. POST-EFFECTIVE DATE FEES AND EXPENSES**

From and after the Effective Date, the Post Confirmation Entity, if established, and the Real Estate Entity, respectively, shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable professional fees and expenses incurred by the Post Confirmation Entity and the Real Estate Entity, respectively, related to implementation and consummation of the Plan.

**C. SECTION 1146 EXCEPTION**

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan, or the making or delivery of an instrument of transfer under or in contemplation of the Plan, or any other transaction, may not be taxed under any law imposing a stamp tax or similar tax.

**D. SEVERABILITY**

The provisions of this Plan shall not be severable unless such severance is agreed to by the Debtors and such severance would constitute a permissible modification of the Plan pursuant to section 1127 of the Bankruptcy Code.

**E. CONFLICTS**

Except as set forth below, to the extent that any provision of the Disclosure Statement (or any exhibits, schedules, appendices, supplements or amendments to the foregoing), conflicts with or is in any way inconsistent with the terms of the Plan, the Plan shall govern and control; provided, however, that to the extent that any terms of the Plan conflict with or are in any way inconsistent with the Confirmation Order, the Confirmation Order shall govern and control.

**F. GOVERNING LAW**

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent that an exhibit hereto or document contained in the Exhibit Book provides otherwise, the rights, duties and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the State of Delaware without giving effect to principles of conflicts of laws.

**G. NOTICES**

All notices, requests, and demands to or upon the Debtors, to be effective, shall be in writing, including by facsimile transmission, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered to all of the following, or in the case of notice by facsimile

transmission, when received by all of the following, addressed as follows or to such other addresses as filed with the Bankruptcy Court.

<b>Notice Parties</b>	
<p>David L. Eaton (IL Bar No. 3122303)            Marc J. Carmel (IL Bar No. 6272032)  <b>KIRKLAND &amp; ELLIS LLP</b>            200 East Randolph Drive            Chicago, Illinois 60601            Telephone: (312) 861-2000            Facsimile: (312) 861-2200            Email: mcarmel@kirkland.com</p> <p>Counsel to Techneglas, Inc.</p>	<p>Robert J. Sidman (0017390)            Brenda K. Bowers (0046799)  <b>VORYS, SATER, SEYMOUR &amp; PEASE LLP</b>            52 East Gay Street            PO Box 1008            Columbus, Ohio 43216-1008            Telephone: (614) 464-6400            Facsimile: (614) 719 - 4962            Email: bkbowers@vssp.com</p> <p>Counsel to Techneglas, Inc.</p>
<p>Patricia S. Mar (CA Bar No. 45593)            Jeffrey M. Kayes (CA Bar No. 216089)  <b>MORRISON &amp; FOERSTER LLP</b>            425 Market Street            San Francisco, California 94105-2482            Telephone: (415) 268-7000            Facsimile: (415) 268-7522            Email: pmar@mofo.com</p> <p>Counsel to Nippon Electric Glass Ohio, Inc.</p>	<p>Kenneth R. Cookson (0020216)            Stephanie P. Union (0071092)  <b>KEGLER, BROWN, HILL &amp; RITTER</b>            A Legal Professional Association            65 East State Street, Suite 1800            Columbus, Ohio 43215            Telephone: (614) 462-5400            Facsimile: (614) 464-2634            Email: kcookson@keglerbrown.com                              sunion@keglerbrown.com</p> <p>Counsel to Nippon Electric Glass Ohio, Inc.</p>
<p>Daniel A. DeMarco (0038920)            Christopher B. Wick (0073126)  <b>HAHN LOESER &amp; PARKS LLP</b>            3300 BP Tower            200 Public Square            Cleveland, Ohio 44114-2301            Telephone: (216) 621-0150            Facsimile: (216) 241-2824            Email: dademarco@hahnlaw.com                              cwick@hahnlaw.com</p> <p>Counsel to Nippon Electric Glass America, Inc.</p>	<p>Stephen M. Proctor (0069331)  <b>MASUDA FUNAI EIFERT &amp; MITCHELL, LTD.</b>            1475 East Woodfield Road, Suite 800            Schaumburg, IL 60173-5485            Telephone: (847) 734-8836            Facsimile: (847) 734-1089            Email: sproctor@masudafunai.com</p> <p>Counsel to Nippon Electric Glass America, Inc.</p>

**H. CLOSING OF CASES**

The Post Confirmation Trustee, the Real Estate Trustee, and the Reorganized Debtors, as applicable, shall promptly, upon the full administration of each respective Chapter 11 Case, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close such Chapter 11 Case.

**I. SECTION HEADINGS**

The section headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

**ARTICLE XVIII.  
THE EXHIBIT BOOK**

**A. CONTENTS**

The following exhibits to the Plan and the Disclosure Statement are contained in the Exhibit Book:

1. Members of the Boards of Directors of Reorganized NEG Ohio, NEG America, NEG Distribution NewCo, and, if applicable, Reorganized Techneglas;
2. List of Retained Bankruptcy Causes of Action for each of the Debtors;
3. Post Confirmation Entity Agreement;
4. Real Estate Entity Agreement;
5. The Memorandum of Understanding With United Steelworkers of America, AFL-CIO-CLC;
6. The Memorandum of Understanding with Glass, Molders, Pottery, Plastics and Allied Workers International Union, AFL-CIO-CLC;
7. The Order Authorizing the Debtor to Enter Into and Approving the Memorandum of Understanding with Glass, Molders, Pottery, Plastics and Allied Workers International Union, AFL-CIO-CLC, entered by the Bankruptcy Court on June 8, 2005; and
8. The Order Authorizing the Debtor to Enter Into and Approving the Memorandum of Understanding With United Steelworkers of America, AFL-CIO-CLC, entered by the Bankruptcy Court on June 8, 2005.
9. The Memorandum of Understanding with the Pension Benefit Guaranty Corporation.

The Debtors reserve the right to amend and update the exhibits in the Exhibit Book to the extent that those exhibits can be amended in accordance with applicable law or agreement.

**B. INCORPORATION**

The Plan and the Disclosure Statement incorporate by reference all contents of the Exhibit Book as though fully restated herein or therein.

Dated: August ~~21~~, 22, 2005

TECHNEGLAS, INC.

By: \_\_\_\_\_

Name: Joseph Schaeufele

Title: President and Chief Executive Officer

and

By: \_\_\_\_\_

Robert J. Sidman (0017390)

Brenda K. Bowers (0046799)

VORYS, SATER, SEYMOUR & PEASE LLP

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kpiiper@kirkland.com

Counsel for Techneglas, Inc.

Dated: August ~~21~~, 22, 2005

NIPPON ELECTRIC GLASS OHIO, INC.

By: \_\_\_\_\_

Name: Katsuo Takeda

Title: President

and

By: \_\_\_\_\_

Kenneth R. Cookson (0020216)

Stephanie P. Union (0071092)

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Counsel to Nippon Electric Glass Ohio, Inc.

Dated: August ~~21~~, 22, 2005

NIPPON ELECTRIC GLASS AMERICA, INC.

By: \_\_\_\_\_

Name: Kiyoshi Asai

Title: President

and

By: \_\_\_\_\_

Daniel A. DeMarco (0038920)

Christopher B. Wick (0073126)

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