

SUPPLEMENTAL AGREEMENT RE PROPULSID MDL 1 AND 2

The parties acknowledge that concerns exist with respect to the administration of the Propulsid MDL Settlement Program under the Term Sheets for MDL 1 and 2. This document reflects the Agreement of the parties on these matters.

1. This Agreement cannot be used by the parties or any third party as evidence or argument that the positions of the parties previously expressed with regard to the above concerns are in any manner or form waived, compromised, prejudiced or withdrawn. The parties retain the right to reassert those concerns and positions which they have previously expressed and mutually acknowledge that they have been informed of this provision. Neither party ratifies the relevance, applicability, enforceability or legitimacy of any argument made or to be made by the other respecting the impact of any provision of the MDL 2 Term Sheet to the disposition of any money which may remain undistributed in the MDL 1 Settlement Fund upon conclusion of that Fund. Subject to this reservation, the PSC and the Defense withdraw their currently pending motions without prejudice to renoticing at their option. The MDL Court may, if it so wishes, consult with the Special Master about how the MDL Court shall resolve the distribution of undistributed money.

2. Both parties ^{confirm} acknowledge that, in the event they do not reach agreement under the meet and confer provisions of Section 18 of the MDL 1 Term Sheet about the disposition of any excess funds in the MDL Settlement Agreement, the resolution of that dispute shall be decided by the MDL Court. The dispute shall be presented to the MDL Court by appropriate motion or motions for judicial resolution according to controlling legal principles. The parties shall have the right to present evidence in support of such motions, to have a hearing and to have the MDL Court render Findings of Fact and Conclusions of Law. The right to seek appellate review of the Court's resolution of the dispute is preserved by both parties.

3. The parties agree that the Term Sheets for MDL 1 and 2 shall be amended to include a new Section 25 (Reconsideration of Certain Claims), which is attached as Exhibit A and shall become effective immediately.

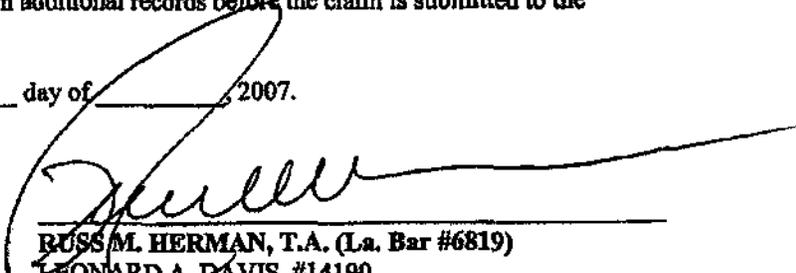
4. The parties agree that MDL 2 is now in effect. Accordingly, the Defense shall fund the Settlement and Administrative Funds upon joint execution of the Escrow Agreement respecting the bank account into which the funds will be deposited and shall also then fund the Attorneys Fee account. The Special Master shall then begin processing all claims, as provided in the Term Sheet for MDL 2. Nevertheless, the PSC and SLC reserve the right to terminate this provision, which, if so terminated, permits the PSC to renotice its motion for equitable administration of the MDL 1 Settlement Agreement and the Defense to renotice its motion to affirm the validity of MDL 2.

5. The parties stipulate that claimants' time for submitting medical records as required under Section 7 of the MDL 1 Term Sheet has expired and that no further records may be submitted by claimants in support of their claims, except as allowed by

the Special Master. All claimants shall have until September 1, 2007, in which to deliver to the Special Master their Sections 13(A) and (B) memoranda. Notice of this deadline shall be posted on the Court's Propulsid website. Defendants shall have 90 days after submission of the claimant's Section 13(A) or (B) memoranda in which to submit the defense's Section 13(A) or (B) memoranda except that this time may be extended by the Special Master if the defendants are having difficulty in obtaining relevant medical records in specific cases.

6. The parties agree that the Special Master shall continue to submit "expedited defense review" claims to the Medical Panel for MDI 1 and 2. The Defense shall retain its right to review the medical records supporting a claim to determine whether it will exercise its option to obtain additional records before the claim is submitted to the Medical Panel.

Executed this _____ day of _____, 2007.



RUSS M. HERMAN, T.A. (La. Bar #6819)

LEONARD A. DAVIS, #14190

JAMES C. KLICK, #4751

HERMAN, MATHIS, CASEY, KITCHENS & GERBEL, LLP

820 O'Keefe Avenue

New Orleans, LA 70113

Tel: 504-581-4892; Fax: 504-561-6024

MDL LIAISON COUNSEL FOR PLAINTIFFS

MDL STATE LIAISON COMMITTEE



RICHARD J. ARSENAULT

Louisiana Bar Roll #38041

NEBLETT, BEARD & ARSENAULT

P.O. Box 1190

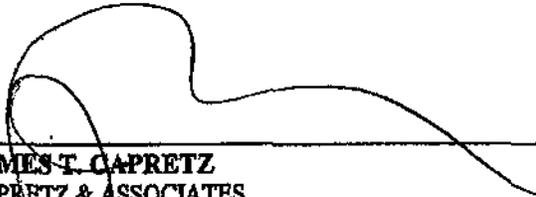
Alexandria, LA 71309-1190

Tel: 318-487-9874; Fax: 318-561-2591



Dawn Barros

DAWN M. BARRIOS (La. Bar #2821)
BARRIOS, KINGSORF & CASTEX
701 Poydras Street, Suite 3650
New Orleans, LA 70139
Tel: 504-524-3300; Fax: 504-524-3313
barrios@bkc-law.com



JAMES T. CAPRETZ
CAPRETZ & ASSOCIATES
5000 Birch Street, Suite 2500
Newport Beach, CA 92660
Tel: 949-724-3000; Fax: 949-757-2635

BARRY M. HILL
HILL WILLIAMS, PLLC
89 12th Street
Wheeling, WV 26003
Tel: 304-233-4966; Fax: 304-233-4969

JAMES B. IRWIN, T.A. (La. Bar #7172)
QUENTIN F. URQUHART, JR. (La. Bar #14475)
KIM E. MOORE (La. Bar #8653)
MONIQUE M. GARSAUD (La. Bar #25393)
IRWIN FRITCHIE URQUHART & MOORE, LLC
400 Poydras Street, Suite 2700
New Orleans, LA 70130
Tel: 504-310-2100; Fax: 504-310-2101
LIAISON COUNSEL FOR DEFENDANTS
JANSSEN, L.P. AND JOHNSON & JOHNSON

DAWN M. BARRIOS (La. Bar #2821)
BARRIOS, KINGSORF & CASTEX
701 Poydras Street, Suite 3650
New Orleans, LA 70139
Tel: 504-524-3300; Fax: 504-524-3313
barrios@bkc-law.com

JAMES T. CAPRETZ
CAPRETZ & ASSOCIATES
5000 Birch Street, Suite 2500
Newport Beach, CA 92660
Tel: 949-724-3000; Fax: 949-757-2635



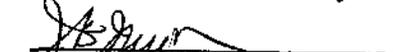
BARRY M. HILL
HILL WILLIAMS, PLLC
89 12th Street
Wheeling, WV 26003
Tel: 304-233-4966; Fax: 304-233-4969

JAMES B. IRWIN, T.A. (La. Bar #7172)
QUENTIN F. URQUHART, JR. (La. Bar #14475)
KIM E. MOORE (La. Bar #8653)
MONIQUE M. GARSAUD (La. Bar #25393)
IRWIN FRITCHIE URQUHART & MOORE, LLC
400 Poydras Street, Suite 2700
New Orleans, LA 70130
Tel: 504-310-2100; Fax: 504-310-2101
LIAISON COUNSEL FOR DEFENDANTS
JANSSEN, L.P. AND JOHNSON & JOHNSON

DAWN M. BARRIOS (La. Bar #2821)
BARRIOS, KINGSORF & CASTEIX
701 Poydras Street, Suite 3650
New Orleans, LA 70139
Tel: 504-524-3300; Fax: 504-524-3313
barrios@bkc-law.com

JAMES T. CAPRETZ
CAPRETZ & ASSOCIATES
5000 Birch Street, Suite 2500
Newport Beach, CA 92660
Tel: 949-724-3000; Fax: 949-757-2635

BARRY M. HILL
HILL WILLIAMS, PLLC
89 12th Street
Wheeling, WV 26003
Tel: 304-233-4966; Fax: 304-233-4969

JAMES B. IRWIN, T.A. (La. Bar #7172)
QUENTIN F. URQUHART, JR. (La. Bar #14475)
KIM E. MOORE (La. Bar #8653)
MONIQUE M. GARSAUD (La. Bar #25393)
IRWIN FRITCHIE URQUHART & MOORE, LLC
400 Poydras Street, Suite 2700
New Orleans, LA 70130
Tel: 504-310-2100; Fax: 504-310-2101
LIAISON COUNSEL FOR DEFENDANTS
JANSSEN, L.P. AND JOHNSON & JOHNSON