

RE: Additional Payments to Level I Claimants

Dear Claimant Counsel:

Please take notice that the DII Industries, LLC Silica PI Trust will begin accepting claims under Section 6.11 of the DII Industries, LLC Silica PI Trust Amended and Restated Silica Trust Distribution Procedures (the “TDP”). (See attached Section 6.11). The following is intended to provide an overview of Section 6.11 claims. All legal requirements for a valid claim, however, are set forth in full in the TDP – a copy of which is available at www.diisilicatrust.com.

Section 6.11 of the TDP allows the Trust to make payments to Additional Level I Claimants:

If the Trustee determines that it is consistent with the Trustee’s fiduciary duties and appropriate under applicable non-bankruptcy law to provide a remedy for persons asserting claims that satisfy all requirements for payment of a Disease Level I Claim except for the pulmonary function testing requirements (“Additional Level I Claimants”).

The Trustee has exercised his discretion to allow for the filing of Section 6.11 claims, and the Trust will begin making such payments if funding is available in accordance with the terms and conditions of the TDP. Please note the following important information related to filing a Section 6.11 claim:

- Timing and Likelihood of Payment: Any payments made to Additional Level I Claimants will be made near the end of the Trust’s fiscal year, around the end of December. Payments will only be made if the Trustee determines that there are sufficient funds remaining based upon the difference between the amount paid under the Silica PI Trust Note and the amounts paid to holders of Claims in Disease Levels I-IV during such year. Therefore, the Trustee retains sole discretion to determine the timing and number of Section 6.11 claims that may be paid each year. In the event that sufficient funding is not available, some or all Additional Level I Claimants will be rolled over to the following year.
- Medical/Exposure Criteria: Section 6.11 claims are subject to the same Medical/Exposure Criteria as other Disease Level I Claims with the exception of the pulmonary function testing. See the TDP for the specific requirements for filing a valid claim.
- Liquidated Value of Additional Level I Claims: Additional Level I Claimants who (i) satisfy the Medical/Exposure Criteria set forth in Section 6.11; (ii) comply with all other applicable provisions of the TDP; and (iii) satisfy any other conditions for liquidation and payment of their claim may receive an Additional Level I Payment of:
 - Up to \$1,258 for Non-Harbison-Walker Silica PI Trust Claims; and
 - Up to \$1,977 for Harbison-Walker Silica PI Trust Claims

Please note that these values are the maximum payments that may be available to an Additional Level I Claimant. All claims will be individually reviewed and subject to all requirements for the Individual Review process, including the valuation factors described in Section 4.3(b)(2). Therefore, the actual amount of any payment received by an Additional Level I Claimant may be less than the values set out above. Again, all Additional Level I Payments are conditioned upon the Trustee's determination that sufficient funds are available to pay Section 6.11 claims.

- Statute of Limitations: The statute of limitations for Additional Level I Claims is three (3) years from either the date of diagnosis or June 15, 2009, whichever occurs later.

Section 6.11. Additional Payments to Level I Claimants
(excerpt from the TDP)

If the Trustee determines that it is consistent with the Trustee's fiduciary duties and appropriate under applicable non-bankruptcy law to provide a remedy for persons asserting claims that satisfy all requirements for payment of a Disease Level I Claim except for the pulmonary function testing requirements ("Additional Level I Claimants"), the Trustee, with consent of the Silica TAC and Legal Representative, may make such payments ("Additional Level I Payments") in accordance with the provisions of this section 6.11 of this TDP.

No Additional Level I Payments shall be made until at least the end of the second anniversary of the Effective Date. In the event that the Trustee exercises his or her discretion to allow Additional Level I Payments, the aggregate of any such payments made in any given year following an anniversary of the Effective Date shall be limited to the difference between (a) the amount paid under the Silica PI Trust Note in the year immediately preceding such anniversary and (b) the amounts paid to holders of Claims in Disease Levels I—IV during the year preceding such anniversary (excluding payments made to Additional Level I Claimants and holders of Qualifying Settled Silica PI Trust Claims).

Additional Level I Claimants are subject to the same restrictions as holders of claims in Disease Level I with respect to Individual Review (see section 4.3(b) of this Silica TDP), except that under no circumstances shall Additional Level I Claimants have their claims considered as Extraordinary Claims or Exigent Hardship Claims under sections 4.4(a)(1) or 4.4(a)(2) of this Silica TDP.

To qualify for an Additional Level I Payment under this section 6.11 of this Silica TDP, Additional Level I Claimants must meet all of the Medical/Exposure Criteria of Disease Level I (see sections 4.3(a)(3) and 4.7(a)(1)(A) of this Silica TDP), except that Additional Level I Claimants do not need to provide evidence of pulmonary function testing.

Additional Level I Claimants who (a) satisfy the Medical/Exposure Criteria of this section 6.11 of this Silica TDP, (b) comply with all other applicable provisions of this Silica TDP, and (c) satisfy any other conditions for liquidation and payment of their claims established by the Trustee in the Trustee's discretion may receive an Additional Level I Payment of up to \$250. Such Additional Level I Payment is conditioned upon the Silica PI Trust having enough funds remaining at the end of the Calculation Period to make payments to Additional Level I Claimants.

An Additional Level I Claimant who submits a claim for Additional Level I Payment but is denied payment on the grounds that the claim does not qualify for payment under this provision may submit such claim to the Silica PI Trust for Individual Review. In such a case, the Silica PI Trust shall either deny the claim or, if the Silica PI Trust is satisfied that the Additional Level I Claimant has presented a claim that would be valid and cognizable in the tort system, the Silica PI Trust can offer the Additional Level I Claimant an amount up to \$250. The Trustee may, in his or her sole discretion, with respect to Additional Level I Claimants, impose a filing fee on Additional Level I Claimants who seek Individual Review of their claims.

An Additional Level I Claimant who receives an Additional Level I Payment under the terms of this section 6.11 of this Silica TDP may file a new Silica Unsecured PI Trust Claim against the Silica PI Trust for Severe Silicosis (Disease Level II), Lung Cancer (Disease Level HI), or Complex Silicosis (Disease Level W) that is subsequently diagnosed. Any additional payments to which such claimant may be entitled with respect to such subsequently diagnosed disease shall not be reduced by the Additional Level I Payment amount, provided that the disease in Disease Level II, III, or IV had not been diagnosed by the time the Additional Level I Claimant had submitted his or her claim for an Additional Level I Payment.

In the event that the Trustee exercises his or her discretion to permit Additional Level I Payments, the Trustee, in consultation with the Silica TAC and the Legal Representative, shall implement appropriate measures to establish processing, ordering, and payment procedures that ensure the orderly, efficient, and equitable treatment of Additional Level I Claimants.