**Notice to Eligible Employees of Dow Corning Corporation of Application for Authorization Under Prohibited Transaction Exemption 96-62, as Amended**

You are hereby notified that Dow Corning Corporation ("DCC") and its direct wholly-owned captive insurance company Devonshire Underwriters Limited ("DUL") have applied to the U.S. Department of Labor ("DOL") for authorization that the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), do not apply to the reinsurance transaction described below. The transaction involves the reinsurance of risks and the receipt of premiums by DUL from insurance contracts currently funding DCC's Optional Life, Dependent Life, Optional AD&D and Long Term Disability insurance contracts currently funding the Dow Corning Life and AD&D Insurance Plan (503) and the Dow Corning Corporation Long Term Disability Plan (505), collectively called "the Plan." Due to the nature of the relationship between DCC and DUL, such reinsurance would otherwise constitute a prohibited transaction under ERISA. This notice informs you of the application to the DOL and certain changes to the Optional Life, Dependent Life, Optional AD&D and Long Term Disability insurance program benefits (the Plan) and describes your right to comment to the DOL about the requested authorization. Other employee benefit programs offered by DCC will not be affected.

## OVERVIEW

DCC's Plan provides Optional Life, Dependent Life, Optional AD&D and Long Term Disability insurance benefits, and covers all full-time and part-time active U.S. employees, pre-65 retirees and spouses. The Plan is insured with Minnesota Life Insurance Company ("MN Life") and Aetna Life Insurance Company ("Aetna"). Under the transaction, MN Life and Aetna will insure the Plan risks. However, MN Life and Aetna will reinsure up to 100 percent of risks with DUL. The Plan Administrator has determined that the transaction is in the interest of the participants and beneficiaries of the Plan because of benefit improvements that will be provided to them. The authorization by the DOL will be subject to the conditions described below and set forth in more detail in Exhibit A.

The reinsurance agreement is simply an internal arrangement between DUL and MN Life and between DUL and Aetna. Both MN Life and Aetna will continue to insure the benefits provided to you under the Plan, including the benefit improvements.

## PARTIES TO THE PROPOSED REINSURANCE AGREEMENT

### Company

DCC is located in Midland, Michigan and is a global manufacturer/supplier in silicone-based chemicals. It is a joint venture equally owned by Dow Chemical Company and Corning, Incorporated. The company has been in business since 1943. Its array of products and solutions include adhesives/sealants, elastomers, emulsions, fluids and silicone rubber. DCC also offers consulting/advisory services in the areas of analytical/application testing, environmental health and safety, facilities design and engineering, geographic and market expansion, and process and supply chain optimization.

For the fiscal year ending December 31, 2008, DCC achieved sales of $5.45 billion and net income of $775.7 million. It reported a global employee force of 10,200.

## Captive

DCC operates a wholly owned captive insurance company, Devonshire Underwriters Limited ("DUL"). DUL currently writes DCC's workers' compensation, employer's liability, automobile liability and general/product liability risks. For fiscal year ending December 31, 2008, DUL reported earned premiums of $4.03 million and total assets of $42.71 million. On June 1, 2009, DCC re-domesticated DUL from Bermuda to Washington, D.C. for the purpose of writing employee benefits.

## THE PLAN

DCC maintains the Plan for all full-time and part-time active U.S. employees, pre-65 retirees and spouses. Under the Plan, DCC provides Optional Life, Dependent Life, Optional AD&D and Long Term Disability insurance coverages. The Plan is insured with MN Life and Aetna. Both DCC and employees contribute to the costs of coverage.

The official names of the Plan under which the coverages are provided are the Dow Corning Life and AD&D Insurance Plan (503) and the Dow Corning Corporation Long Term Disability Plan (505). The federal employer identification number of DCC, the plan sponsor, is 38-0495575.

## CHANGES TO THE PLAN

DCC recently formulated a plan to utilize DUL for the reinsurance of benefits and will make improvements to the Plan upon receiving DOL authorization. MN Life and Aetna will insure the Plan with the new enhanced benefits. The benefit enhancements are not required as part of a legal proceeding, court order or judgment under state or federal law. The following improvements to the Plan's benefits are effective as of January 1, 2010.

DCC will enhance the benefits under the Plan as follows:

- Life (MN Life): All employees will benefit from an **enhanced accelerated death benefit** under the life insurance policy. Currently, DCC's plan allows an insured employee who is terminally ill to receive payments under the life insurance policy in advance of his or her death. The advance allowed for DCC's employees is currently 50% of the insured's coverage up to $100,000. Under the captive arrangement with MN Life, the amount that employees can receive in advance will be increased to 100% of each individual's life insurance coverage, up to a maximum of $1,000,000, when approved by MN Life.

- LTD (Aetna): DCC will increase the minimum monthly LTD benefit from $100 per month per claimant to $200 per month per claimant. This will apply to all employees (approximately 4,500 individuals).

- AD&D (MN Life): Currently there is only Optional AD&D coverage that is paid for by plan participants. DCC will add a new Basic AD&D plan and provide coverage to all active employees. Coverage will be provided through MN Life in the amount of 1X annual salary per employee, rounded up to the nearest $1,000 with a maximum amount of $1,000,000. DCC will bear the full cost of the plan; there will be no cost to participants.

As stated above, the reinsurance agreement is simply an internal arrangement between DUL and MN Life and between DUL and Aetna. MN Life and Aetna will continue to insure the benefits provided to you under the Plan, including the improved benefits, and DCC will continue to contribute to the cost of the Plan.

**INDEPENDENT FIDUCIARY**

In connection with the application to the DOL, DCC has retained, at its sole expense, Milliman, Inc. ("Milliman"), which provides specialized fiduciary services on behalf of employee benefit plans. Milliman, as the Independent Fiduciary for the Plan has analyzed the transaction and rendered an opinion that the requirements of subsections (a) through (f) of the draft requested authorization, attached as Exhibit A, have been complied with. In addition, Milliman will represent the interests of the Plan, as the Independent Fiduciary at all times with respect to the proposed transaction. Milliman will monitor compliance by the parties with the terms and conditions of the proposed transaction on an on-going basis, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to ensure that the proposed transaction remains in the interest of the Plan and its participants and beneficiaries.

**OVERVIEW OF EXEMPTION CONDITIONS**

The following is a summary of the principal conditions that would be imposed by the DOL authorization (a full version of which is attached as Exhibit A):

- The Plan will pay no more than adequate consideration for the insurance contracts.

- No commissions will be paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof.

- In the initial year of any such contract involving DUL, there will be an immediate and objectively determined benefit to the participants and beneficiaries of the Plan in the form of increased benefits.

- DCC has retained an independent fiduciary, at its sole expense, to analyze the transaction and render an opinion that the requirements of subsections (a) through (f) of Exhibit A have been complied with.

## TENTATIVE AUTHORIZATION

Authorization by the DOL was requested under a procedure called the Prohibited Transaction Exemption ("PTE") 96-62. This process requires that at least two prior exemptions of substantially similar structure have been granted by the DOL within the last 60 months. Alternatively, the DOL must have granted one exemption within the past 120 months and issued one final authorization pursuant to PTE 96-62 within 60 months for substantially similar transactions. You can find descriptions of these other transactions along with the comments from the DOL in the Federal Register as PTE 2000-48 (Columbia Energy Group), 65 FR 60452 (October 11, 2000) and 2003-07 (Archer Daniels Midland Company), 68 FR 23764 (May 5, 2003). In addition, the DOL gave final authorization under PTE 96-62 to the International Paper Company (Final Authorization Number 2003-32E, November 2003). FAN 2003-32E, as well as PTE 04-12 (Svenska Cellulosa), July 2004, and PTE 06-11E (AGL Resources, Inc. and Global Energy Resource Insurance Corporation), May 2006, are also substantially similar to the transaction described herein. In those cases, each respective employer proposed using its captive insurance company to reinsure employee benefits, and agreed to provide improved benefits, retain an Independent Fiduciary, contract only with insurers with an "A" rating or better with A.M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. Based on these representations, the DOL granted relief from the prohibited transaction restrictions under sections 406 (a) and (b) of ERISA.

The proposed transaction described in this Notice has met the requirements for tentative authorization from the DOL under PTE 96-62. Unless the DOL otherwise notifies DCC, a final authorization would be effective November 28, 2009.

## YOUR RIGHT TO COMMENT ON TENTATIVE AUTHORIZATION

As an interested party, you have the right to submit comments to the DOL on the tentative authorization. If you decide to do so, please submit your comments at the following address:

Employee Benefits Security Administration
Office of Exemption Determinations, Division of Individual Exemptions
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N-5700
Washington, D.C. 20210

Please be sure to reference the submission number E-00637. Comments must be received by the DOL no later than November 23, 2009.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is lefkowitz.gary@dol.gov. If you have questions regarding your right to comment on this tentative authorization, you may call Mr. Gary Lefkowitz at (202) 693-8546.

If you have any questions about any information in this notice, contact Julie Hoffman of Human Resources at the telephone number below:

Phone Number: 989-496-3793

**Exhibit A**

## Pending Authorization

The restrictions of Section 406(a) and 406(b) of ERISA shall not apply to the reinsurance of risks and the receipt of premiums there from by Devonshire Underwriters Limited, ("DUL") in connection with insurance contracts sold by Minnesota Life Insurance Company, ("MN Life") and Aetna, Inc. ("Aetna") or any successor insurance company which is unrelated to Dow Corning Corporation ("DCC") to provide Optional Life, Dependent Life, Optional AD&D and Long Term Disability insurance contracts to fund the Dow Corning Life and AD&D Insurance Plan (503) and the Dow Corning Corporation Long Term Disability Plan (505), collective called "the Plan," for participants, provided the following conditions are met:

(a) DUL:

(1) Is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with DCC that is described in Section 3(14)(E) or (G) of ERISA;

(2) Is licensed to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of ERISA;

(3) Has obtained a Certificate of Authority from the Insurance Commissioner of its domiciliary state which has neither been revoked nor suspended;

(4) Will undergo an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction. In addition, the independent certified public accountant will examine DUL's reserves on an annual basis in connection with the employee benefits business to be reinsured by DUL to insure that approvable reserve levels are maintained. Further, such accountant must prepare and furnish its report to the independent plan fiduciary within 6 months after the end of each taxable year; and

(5) Is licensed to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority.

(b) The Plan pays no more than adequate consideration for the insurance contracts;

(c) No commissions are paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof;

(d) In the initial year of any contract involving DUL, there will be an immediate and objectively determined benefit to the Plan's participants and beneficiaries in the form of increased benefits that are described in the Notice to Interested Persons;

(e) In subsequent years, the formulae used to calculate premiums by the Fronting Insurance Company (MN Life and Aetna) or any successor insurer will be similar to formulae used by other insurers providing comparable Optional Life, Dependent Life, Optional AD&D and Long Term Disability insurance coverage under similar programs. Furthermore, the premium charges calculated in accordance with the formulae will be reasonable and will be comparable to the premiums charged by the Fronting Insurance Company and its competitors with the same or a better rating providing the same coverage under comparable programs;

(f) The Plan only contracts with insurers with a financial strength rating of "A" or better from A.M. Best Company (Best's). The reinsurance arrangement between the Fronting Insurance Company and DUL will be indemnity insurance only, i.e., the Fronting Insurance Company will not be relieved of liability to the Plan should DUL be unable or unwilling to cover any liability arising from the reinsurance arrangement; and

(g) The Plan retains an independent fiduciary (the Independent Fiduciary), at DCC's expense, to analyze the transaction and render an opinion that the requirements of sections (a) through (f) have been complied with. For purposes of this exemption, the Independent Fiduciary is a person who:

  (1) Is not directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with DCC, DUL, or the Fronting Insurance Company (this relationship hereinafter referred to as an ''Affiliate'');

  (2) Is not an officer, director, employee of, or partner in, DCC, DUL, or the Fronting Insurance Company (or any Affiliate thereof);

  (3) Is not a corporation or partnership in which DCC, DUL, or the Fronting Insurance Company has an ownership interest or is a partner;

  (4) Does not have an ownership interest in DCC, DUL the Fronting Insurance Company or any Affiliate thereof;

  (5) Is not a fiduciary with respect to the Plan prior to the appointment;

  (6) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which the Independent Fiduciary has an interest that might affect its best judgment as a fiduciary; and

(7) For purposes of this definition of an ''Independent Fiduciary,'' no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) from DCC, DUL or their Affiliates (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for that fiscal year exceeds 5 percent of that organization or individual's annual gross income from all sources for such fiscal year.

In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder, may acquire any property from, sell any property to, or borrow funds from DCC, DUL or their Affiliates during the period that such organization or individual serves as Independent Fiduciary, and continuing for a period of six months after such organization or individual ceases to be an Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as Independent Fiduciary.