IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	)	Jointly Administered at
	)	Case No. 03-35592 JKF
MID-VALLEY, INC., *et. al.*,	)	
	)	Chapter 11
Reorganized Debtors.	)	
	)	Document No. 2669
	)	

ORDER OF COURT PERMITTING THE FILING OF CERTAIN DOCUMENTS WITHOUT REOPENING THE REORGANIZATION CASES[1]

WHEREAS, this Court entered an Order of Final Decree on November 21, 2005 at Docket No. 2514 ordering that the Reorganized Debtors' Reorganization Cases be closed; and

WHEREAS, pursuant to the terms of the Confirmation Order, the Asbestos PI Trust Documents and the Silica PI Trust Documents, certain additional informational and other filings are anticipated to be made including, but not limited to (i) annual reports to be filed by the Asbestos and Silica PI Trusts; and (ii) amended Plan Exhibits filed by the Reorganized Debtors (collectively, the "Additional Filings"); and

WHEREAS, at the hearing held on November 6, 2006, this Court indicated that the Additional Filings should not necessitate the reopening of these Reorganization Cases or any related payment of filing fees; it is hereby

ORDERED, that the Clerk of this Court is directed to accept the Additional Filings and the Additional Filings shall not require the reopening of these Reorganized Cases or

[1] Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Uniform Glossary of Defined Terms for Plan Documents filed of record on November 5, 2004 (Dkt. No. 2086).

DII Industries Asbestos Trust Annual Reports, 2025 annual report
ACL Doc 14298 · Page 1 of 29
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the payment of any related filing fees; and it is further

ORDERED, each such Additional Filing shall include a copy of this Order, affixed to the front of the Additional Filing; and it is further

ORDERED, that counsel for the Reorganized Debtors shall immediately serve a copy of this Order on (i) each entity set forth in the Reorganized Debtors' current Official Service List; (ii) each entity set forth on the current Bankruptcy Rule 2002 Notice List; and (iii) any other parties-in-interest, and file a certificate of service with the Clerk of the Bankruptcy Court within ten (10) days hereof; and it is further

ORDERED, that the Clerk of the Bankruptcy Court is hereby directed to make a notation on the dockets that, the Reorganization Cases (Case Nos. 03-35592, 03-35593, 03-35595, 03-35596, 03-35597, 03-35599, 03-35600, and 03-35601) have been closed.

Dated: Dated: 11/16/2006 12:39:42, 2006

Judith K. Fitzgerald
United States Bankruptcy Judge

wmk

DII Industries Asbestos Trust Annual Reports, 2025 annual report
ACL Doc 14298 · Page 2 of 29
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IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:	§	Jointly Administered at
	§	Case No. 03-35592-JKF
MID-VALLEY, INC., et al.,	§	
	§	Chapter 11
Reorganized Debtors	§	
	§	

DII INDUSTRIES, LLC ASBESTOS PI TRUST'S
2025 ANNUAL REPORT

Pursuant to the DII Industries, LLC Asbestos PI Trust Agreement, the Trustees of the DII Industries, LLC Asbestos PI Trust ("Trust") report the following 2025 activities:

I. Financial Statements

The Trust's Special-Purpose Financial Statements and Independent Auditor's Report for the years ended December 31, 2025 and 2024 are attached as Exhibit A.

II. Claims Summary

A summary of the number and types of claims the Trust disposed of in 2025 is attached as Exhibit B.

III. Documented Site List

A summary of the changes the Trust made to its Documented Site list in 2025 is attached as Exhibit C.

IV. Trustees' Fees, Expenses, and Activities

In 2025, the Trustees earned $901,594 and were reimbursed $26,012 of the expenses they incurred (a) conducting weekly meetings with the Trust's staff; (b) leading quarterly meetings with the Trust Advisory Committee and Legal Representative; (c) monitoring the Trust's financial portfolio; (d) regularly meeting with the Trust's financial advisors and investment managers; (e) reviewing the Trust's financial statements, claim audit reports, and claim review processes; (f)

supervising the Trust's legal department; (g) monitoring developments in legislation and litigation that could affect the Trust; (h) monitoring the Trust's claims processing facility's performance; (i) assessing the Trust's staffing needs and compensation; (j) supervising continued enhancements to the Trust's information security procedures and infrastructure; and (k) otherwise administering the Trust. In particular, the Trustees devoted significant attention to overseeing (a) the transition of the Trust's assets to a new custodial bank and (b) the Trust's claims audit program.

A. Custodial Bank Transition

In 2025, the Trust engaged a new banking partner for its custodial and treasury services. The Trustees spent substantial time and effort overseeing this transition.

B. Claims Audit Program

The Trust resolved more than 950 claim audits in 2025 as part of its ongoing efforts to ensure that its assets are used to pay compensable claims. The Trustees received regular updates on the Trust's audit program throughout the year.

V. Trust Advisory Committee Fees, Expenses, and Activities

In 2025, the Trust paid the Trust Advisory Committee and its legal counsel and other professionals $48,425 in fees and reimbursed $1,289 of the expenses they incurred. During the year, the Trust Advisory Committee advised the Trustees on their performance of the activities discussed above.

VI. Legal Representative Fees, Expenses, and Activities

In 2025, the Trust paid the Legal Representative and his legal counsel and other professionals $83,029 in fees and reimbursed $3,703 of the expenses they incurred. Like the Trust Advisory Committee, the Legal Representative advised the Trustees on their performance of the activities discussed above.

DII Industries Asbestos Trust Annual Reports, 2025 annual report
ACL Doc 14298 · Page 4 of 29
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VIII. Additional Information

For additional information regarding the Trust's financial statements or operations, please contact its Executive Director, Gregg McHugh, at 12222 Merit Drive, Suite 1150, Dallas, Texas 75251, or at 214-271-0554, or go to www.diiasbestostrust.org.

/s/
Marcellene J. Malouf, Managing Trustee
DII Industries, LLC Asbestos PI Trust

/s/
Mark M. Gleason, Trustee
DII Industries, LLC Asbestos PI Trust

/s/
Honorable David R. Herndon, Trustee
DII Industries, LLC Asbestos PI Trust

Exhibit A

Special-Purpose Financial Statements with Report of Independent Auditors Years Ended December 31, 2025 and 2024

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DII Industries, LLC Asbestos PI Trust

Special-Purpose Financial Report

December 31, 2025



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CONTENTS

Page

Independent Auditor's Report 1

Special-Purpose Financial Statements

Special-Purpose Statements of Net Claimants' Equity 3

Special-Purpose Statements of Changes in Net Claimants' Equity 4

Special-Purpose Statements of Changes in Investments 5

Notes to Special-Purpose Financial Statements 6

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Independent Auditor's Report

To the Trustees of
DII Industries, LLC Asbestos PI Trust

Opinion

We have audited the accompanying special-purpose financial statements of DII Industries, LLC Asbestos PI Trust (the Trust), which comprise the special-purpose statements of net claimants' equity as of December 31, 2025 and 2024, and the related special-purpose statements of changes in net claimants' equity and changes in investments for the years then ended, and the related notes to the special-purpose financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net claimants' equity of the Trust as of December 31, 2025 and 2024, and the changes in net claimants' equity and changes in investments for the years then ended, in accordance with the basis of accounting described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter — Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on a special-purpose basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The special-purpose basis of accounting has been adopted by the Trustees to present the amount of net claimants' equity presently available to pay current and future claims. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 2 to the financial statements, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

DII Industries Asbestos Trust Annual Reports, 2025 annual report
ACL Doc 14298 · Page 9 of 29
Published by AsbestosClaims.Law
asbestosclaims.law/library/14298/9

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of the Trustees, management of the Trust, and for filing with the United States Bankruptcy Court for the Western District of Pennsylvania – Pittsburgh Division (the Bankruptcy Court) and is not intended to be and should not be used by anyone other than these specified parties. Upon filing with the Bankruptcy Court, the report is a matter of public record, which public filing does not expand the listed specified users.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
April 29, 2026

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DII Industries, LLC Asbestos PI Trust Audit 2025

Special-Purpose Statements of Net Claimants' Equity
December 31, 2025 and 2024

	2025	2024
ASSETS		
Investments, at fair value	$ 1,303,246,821	$ 1,309,568,183
Investment income receivable	18,882,713	8,482,814
Prepaid expenses and other assets	184,497	373,428
Prepaid income taxes	5,733,610	4,354,943
Property and equipment, net	10,515	27,271
Operating lease assets	847,054	997,698
Total assets	1,328,905,210	1,323,804,337
LIABILITIES		
Accounts payable and accrued expenses	776,037	1,093,723
Settled but unpaid claims	4,423,239	2,167,182
Deferred income tax liability	172,880,973	141,736,512
Lease liability	906,617	1,057,220
Total liabilities	178,986,866	146,054,637
NET CLAIMANTS' EQUITY	$ 1,149,918,344	$ 1,177,749,700

The Notes to Special-Purpose Financial Statements are an integral part of these statements.

DII Industries, LLC Asbestos PI Trust Audit 2025

Special-Purpose Statements of Changes in Net Claimants' Equity
Years Ended December 31, 2025 and 2024

	2025	2024
INVESTMENT INCOME (LOSS), net		
Interest and dividends, net	$ 25,731,461	$ 33,801,763
Realized gain (loss) on investments, net	30,158,054	(2,432,792)
Unrealized gain (loss) on investments, net of investment fees and expenses	91,547,980	72,761,382
Total investment income	147,437,495	104,130,353
OPERATING EXPENSES		
Asbestos claims payment expense	121,056,300	114,152,204
Operating and legal expenses	7,846,757	8,021,351
Total operating expenses	128,903,057	122,173,555
Income (loss) before federal income taxes	18,534,438	(18,043,202)
Income tax benefit (expense)	(46,365,794)	(31,504,103)
Increase/(decrease) in net claimants' equity	(27,831,356)	(49,547,305)
NET CLAIMANTS' EQUITY, beginning of year	1,177,749,700	1,227,297,005
NET CLAIMANTS' EQUITY, end of year	$ 1,149,918,344	$ 1,177,749,700

The Notes to Special-Purpose Financial Statements are an integral part of these statements.

DII Industries, LLC Asbestos PI Trust Audit 2025

Special-Purpose Statements of Changes in Investments
Years Ended December 31, 2025 and 2024

	2025	2024
INVESTMENT INFLOWS		
Investment income, net	$ 15,331,562	$ 34,361,017
Realized gains on investments, net	30,158,054	-
Total inflows	45,489,616	34,361,017
INVESTMENT OUTFLOWS		
Asbestos claims payments	118,800,243	114,996,628
Realized losses on investments, net	-	2,432,792
Operating and legal payments	7,958,756	7,788,892
Income taxes paid	16,600,000	9,213,000
Total outflows	143,358,999	134,431,312
Net outflows	(97,869,383)	(100,070,295)
NONCASH CHANGES		
Net unrealized (loss) gain on investments	91,547,980	72,761,382
Operating lease costs	41	49,108
Net increase (decrease) in investments	(6,321,362)	(27,259,805)
INVESTMENTS, beginning of year	1,309,568,183	1,336,827,988
INVESTMENTS, end of year	$ 1,303,246,821	$ 1,309,568,183

The Notes to Special-Purpose Financial Statements
are an integral part of these statements.

DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Note 1. Description of the Trust

General

The Trust is a Pennsylvania common law trust and is a Qualified Settlement Fund within the meaning of Treasury Department regulations issued pursuant to Section 468B of the Internal Revenue Code. The Trust was created on January 20, 2005, in connection with the plan of reorganization (Plan) for DII Industries, LLC and certain of its affiliated debtors and debtors-in-possession (Debtors). The Debtors were direct or indirect subsidiaries of Halliburton Company (Halliburton). The Plan was confirmed by order entered on July 21, 2004, by the Bankruptcy Court (Order). The Order was affirmed by the United States District Court for the Western District of Pennsylvania on December 1, 2004. The Plan became effective on January 20, 2005. The Trust's purpose is to assume the asbestos liabilities of the Debtors, Halliburton, Harbison-Walker Refractories Company, and certain other businesses and to use the Trust's assets and income to pay holders of those liabilities so that all holders of similar asbestos claims, both current and future, are treated in a substantially equivalent manner.

Halliburton, its affiliates, and other related companies were granted the protection of a permanent channeling injunction entered by the Bankruptcy Court in connection with the Order. The injunction enjoins the assertion of Asbestos Unsecured PI Trust Claims (Asbestos Claims) against those entities and channels such claims to the Trust for resolution.

The Trustees are fiduciaries to the Trust and are responsible for administering it and its assets in accordance with the Plan.

The Trust is governed by a Trust Agreement (TA) and Trust Distribution Procedures (TDP) that establish the framework and criteria for allowance and payment of Asbestos Claims by the Trust.

The Trust's assets consist primarily of cash, cash equivalents, and investments, which, with the earnings on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage of the value of each allowed claim that will actually be paid will be determined by projections of total allowable Asbestos Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings, on the other.

The Trust will terminate in accordance with TA article 7.2.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Trust's financial statements are prepared using a special-purpose accounting method adopted by the Trust and its Trustees, which differs from GAAP. The special-purpose accounting methods are being used to better communicate the equity available to satisfy current and future claims. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment applied by other parties for these same transactions may differ as to timing and amount. These special-purpose accounting methods and the differences from GAAP include the following:

- No liability is recorded for future claim filings that could be received over the life of the Trust or for filed claims on which no settlement offer has been made.
- Certain investment disclosures required under GAAP are not included.
- These financial statements do not include a statement of cash flows. The financial statements include a special-purpose statement of changes in investments.

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DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Cash and Cash Equivalents

Cash represents demand deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. The Trust also considers investments in variable rate demand notes (VRDNs) to be cash equivalents. This determination is not based on the maturities of the VRDNs, which are long-term, but rather based on the unique liquidity features provided by these investments which allow holders to redeem them at par with one to seven days' notice.

Investments

The Trust's investments are presented on the special purpose statements of net claimants' equity at estimated fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of investments are included in the accompanying special purpose statements of changes in net claimants' equity. Realized gains and losses on investment transactions are determined using cost and are calculated based on the specific identification method. The Trust records investment transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest is recorded on an accrual basis.

Fair Value – Hierarchy of Fair Value

The Trust determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1	Unadjusted quoted prices for identical assets or liabilities in active markets that the Trust is able to access.
Level 2	Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly. These inputs may include (a) quoted market prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset, or (d) inputs derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology are unobservable and significant to the entire fair value measurement.

Investments in private investment companies measured using net asset value (NAV) as a practical expedient are not categorized within the fair value hierarchy.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest-level input that is significant to the fair value measurement.

Fair Value – Valuation Techniques and Inputs

The following are descriptions of the valuation methodologies used for financial assets measured at fair value, including the general classification of such assets pursuant to the valuation hierarchy. There were no changes in valuation techniques during the years ended December 31, 2025 and 2024.

DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Cash and Cash Equivalents

Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash and cash equivalents are classified as Level 1 investments.

Equity Securities

The Trust values equity securities that are traded on a national securities exchange at their last reported sales price. To the extent the equity securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Debt Securities

The Trust values its debt securities using recently executed transactions, market price quotations (when observable), broker or dealer quotations, matrix pricing, or a discounted cash flow model that factors in, where applicable, interest rate yield curves, bond spreads, or credit default swap spreads. Debt securities are categorized in Level 2 of the fair value hierarchy and include U.S. agency securities; agency mortgage-backed securities; obligations of states and political subdivisions; and certain corporate, asset-backed, and other securities.

Hedge Funds

The Trust's investments in hedge funds were based on the NAV provided by the funds, which are subject to independent financial statement audit, as a practical expedient. The practical expedient is not used when it is probable that the Trust will sell all or a portion of an investment at an amount different from the NAV of the investment.

Claims and Claims Processing Expense

Amounts due to claimants for allowed claims are recorded when signed releases are received and verified. Allowed claims with signed releases that are received and verified but not paid before the end of the year are accrued as settled, but unpaid claims in the special-purpose statements of net claimants' equity. See Note 4.

Claims processing expenses are recorded as incurred and are included in operating and legal expenses in the special-purpose statements of changes in net claimants' equity.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The Trust uses both straight-line and accelerated methods of depreciation over the estimated useful lives of the assets, which range from 5 to 7 years. Depreciation expense was approximately $17,000 and $25,000 for the years ended December 31, 2025 and 2024, respectively, and is included in operating and legal expenses in the special-purpose statements of changes in net claimants' equity.

Net Claimants' Equity

Net claimants' equity is available for (i) the payments of allowed asbestos-related claims, whether pending or future, and (ii) operational expenses of the Trust.

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DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Concentration of Credit Risk

Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash, cash equivalents, and investments. The Trust maintains cash and cash equivalents at financial institutions it considers to be of high credit quality. At times, the Trust may have cash deposits in banks that exceed federally insured limits. The Trust has not experienced any losses in such accounts.

The Trust's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, the values of investments may change materially. The Trust has a formal investment policy that provides for diversification and establishes standards to invest the Trust's assets.

Use of Estimates

The preparation of the financial statements requires the Trustees and Trust management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statement date, and the reported amounts of additions to and deductions from net claimants' equity during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of investments and the estimates of current and deferred income taxes. Actual results could differ from these estimates.

Statements of Changes in Investments

The accompanying statements of changes in investments represent the various inflows and outflows during the reporting periods in order to reconcile the changes in investments, at fair value, from the beginning to the end of the respective year.

Income Taxes

Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws. A valuation allowance is established when it is more likely than not that the deferred tax assets may not be realized. The amount of income taxes the Trust pays is subject to potential audits by federal authorities. The Trust's estimate of the potential outcome of any uncertain tax issue is subject to the Trustees' and Trust management's assessment of relevant risks, facts, and circumstances existing at that time. The Trust uses a "more likely than not" threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. To the extent that the Trust's assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. The Trust reports tax-related interest and penalties as a component of income tax expense and operating and legal expenses, respectively. The Trust has not recognized any income tax liability or expense related to the review of uncertain tax positions.

Leases

At lease commencement, the Trust recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs, and lease incentives. See Note 9.

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DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Reclassifications

Certain prior period financial information has been adjusted to conform with current period presentation.

Subsequent Events

The Trust has evaluated events and transactions subsequent to December 31, 2025 to determine if they require recognition or disclosure. The financial statements consider events through April 29, 2026, the date on which the financial statements were available to be issued.

Note 3. Funding of the Trust

Funding of the Trust was set forth in the Plan. On January 20, 2005, its effective date, the Trust received $950,000 in cash; a note receivable from Halliburton in the amount of $30,742,628 due December 31, 2005; and 59,500,000 shares of Halliburton stock from the Debtors, which had a market value of $2,504,652,500. The value of this funding, as of the effective date, totaled $2,536,345,128. The Trust sold all of the Halliburton stock on March 23, 2005, generating proceeds of $2,481,983,000, net of fees and other charges of $46,767,000. The note receivable was paid in full at a discounted amount of $30,685,035 by December 31, 2005. The net cash realized from the funding of the Trust totaled $2,513,618,035.

The Plan also provides for additional funding through the Asbestos PI Trust Additional Funding Agreement (the Funding Agreement). Under the Funding Agreement, the Debtors are obligated to pay the Trust any insurance recoveries in excess of $2,300,000,000. This obligation ceases once the Debtors have paid an aggregate of $700,000,000 to the Trust. No proceeds were received or due during the years ended December 31, 2025 and 2024, in connection with the Funding Agreement. No estimate of any future collection under this obligation has been recorded as it is uncertain to occur.

Note 4. Claims Processing

The Trust reviews and determines Asbestos Claims in accordance with the TDP. The TDP provides for processing, and either withdrawing; disallowing; or allowing, liquidating, and paying all Asbestos Claims as required by the Plan and the TA. For the years ended December 31, 2025 and 2024, approximately $121,056,000 and $114,152,000, respectively, were expensed as Asbestos Claims payments. The Trust had approximately $4,423,000 and $2,167,000, respectively, in claims which were qualified for payment but were unpaid at December 31, 2025 and 2024.

The TDP requires the Trust to dedicate 60% of the Maximum Available Payment (MAP), as defined in the TDP, in any given year to the payment of claims involving severe asbestosis and malignancies and to dedicate 40% of the MAP to claims involving nonmalignant asbestosis and pleural disease. In 2019, the Trust suspended the enforcement of these restrictions. During the years ended December 31, 2025 and 2024, the Trust did not exhaust the MAP.

Note 5. Estimated Asbestos Claims (Unaudited)

At inception, the Trust estimated that its ultimate claims liability would be $3,700,000,000. It last updated this forecast in 2024, resulting in an estimated remaining claims liability of approximately $1,719,000,000.

DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Note 6. Trust Advisory Committee and Legal Representative

The TA sets forth the roles and responsibilities of the TAC and LR. The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims (Current Claimants). The TAC is comprised of eight attorneys who are engaged by Current Claimants. The LR serves in a fiduciary capacity, representing the interests of the individuals who may file Asbestos Claims in the future, but who at this time are unknown to the Trust (Future Claimants). His role, in part, is to protect rights of the Future Claimants. The Trustees are required to consult with or obtain the consent of the TAC and LR on certain matters identified in the TA and the TDP.

Note 7. Taxation

The Trust reports its income to the Internal Revenue Service as a Qualified Settlement Fund, which is taxed at the highest rate applicable to trusts under Section 1(e) of the Internal Revenue Code, which is 37% for the years ending December 31, 2025 and 2024. Asbestos claims payment expenses are not deductible expenses for the purposes of federal income tax.

The Trust's federal income tax expense is calculated as follows:

	Year Ended December 31,	
	2025	2024
Modified taxable income	$ 39,816,691	$ 13,147,950
Tax rate	37 %	37
Current federal income tax expense	14,732,176	4,864,742
Adjustment to prior year estimates	489,157	2,372,143
Deferred federal income tax expense (benefit)	31,144,461	24,267,218
Income tax expense	$ 46,365,794	$ 31,504,103

The Trust's deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Trust's net deferred income taxes are as follows:

	December 31,	
	2025	2024
Unrealized (gain)/loss	$ (168,646,038)	$ (138,091,337)
Additional tax basis	(4,234,935)	(3,645,175)
Deferred tax assets (liabilities)	(172,880,973)	(141,736,512)
Less valuation allowance	-	-
Total net deferred tax assets/(liabilities)	$ (172,880,973)	$ (141,736,512)

DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Note 8. Cash Equivalents and Investments

The TA provides general guidelines for the investments of the Trust. More specific policies and guidelines are set forth in the Statement of Investment Objectives and Policies, which were developed by the Trust's financial advisor and adopted by the Trustees. The Trust's financial advisor and Trustees routinely review the Trust's asset allocations and investment managers.

The Trust's assets recorded at fair value have been categorized based on a fair value hierarchy as described in the Trust's significant accounting policies in Note 2. The following table presents information about the Trust's assets measured at fair value as of December 31, 2025:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 70,689,988	$ -	$ -	$ 70,689,988
Equity securities	526,516,546	-	-	526,516,546
Debt securities	-	616,008,058	-	616,008,058
	$ 597,206,534	$ 616,008,058	$ -	
Hedge funds measured at net asset value [(a)]				90,032,229
Investments at fair value				$ 1,303,246,821

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 73,479,548	$ -	$ -	$ 73,479,548
Equity securities	475,000,820	-	-	475,000,820
Debt securities	-	645,022,347	-	645,022,347
	$ 548,480,368	$ 645,022,347	$ -	
Hedge funds measured at net asset value [(a)]				116,065,468
Investments at fair value				$ 1,309,568,183

(a) Hedge funds that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the special-purpose statements of net assets available for benefits.

The Trust had a cumulative net unrealized gain on securities of approximately $440,389,000 and $376,778,000 at December 31, 2025 and 2024, respectively. Investment income is shown net of bond discount amortization of approximately $14,125,000 and $7,857,000 for the years ended December 31, 2025 and 2024, respectively.

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Notes to Special-Purpose Financial Statements

Accrued interest receivable on investments totaled approximately $8,883,000 and $8,483,000 at December 31, 2025 and 2024, respectively, and is included in investment income receivable in the accompanying statements of net claimants' equity.

Net gain on investments for the year ended December 31, 2025, as presented below, is composed of realized gain (loss) on investments, net and unrealized gain (loss) on investments, net of investment fees and expenses as presented on the accompanying special purpose statement of changes in net claimants' equity:

Net gain on investments recognized during the period	$ 121,706,034
Less gain on investments recognized during the period on securities sold during the period	(30,158,054)
Net gain on investments recognized during the reporting period on securities still held at reporting date	$ 91,547,980

The Trust invests in hedge funds that pursue multiple strategies to diversify risk and reduce volatility. The hedge funds in which the Trust invests include a multi-strategy master-feeder fund, a master-feeder fund that focuses on opportunistic investing in credit and equities, a private fund that invests in long and short equity positions primarily involving equity securities, and a master-feeder fund that seeks to achieve maximum capital appreciation commensurate with reasonable risk through investments in equity securities as well as credit and other financial instruments. The Trust's independent financial advisors monitor, regularly meet with, and review each fund manager. Additionally, the Trustees and Trust management regularly review manager performance reports and meet directly with the fund managers annually. Unfunded commitments to hedge funds totaled approximately $10,000,000 and $0 as of December 31, 2025 and 2024, respectively. The Trust's hedge funds are subject to various restrictions or lock-up provisions, which could prevent the Trust from realizing the current fair value estimate. Additionally, the Trust's hedge funds may be subject to certain fees and expenses upon liquidation before various dates.

The table below sets forth a summary of changes in the fair value of the Trust's hedge funds for the years ended December 31:

	Hedge Funds 2025	Hedge Funds 2024
Balance, beginning of the year	$ 116,065,468	$ 103,517,193
Liquidations	(35,000,000)	-
Net change in fair value	8,966,761	12,548,275
Balance, end of the year	$ 90,032,229	$ 116,065,468

DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

Note 9. Leases

The Trust leases office space used in its operations. Any contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease. The Trust has elected and applies the practical expedient available to lessees to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases, which may cause variability in future lease payments as the amount of non-lease components is revised from one period to the next.

The Trust remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term or a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Trust determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Trust estimates its risk-free rates based on US government securities as the discount rate. The Trust's risk-free rates based on US government securities, which are determined at either lease commencement or when a lease liability is remeasured, are estimates of the interest rates it would pay on a collateralized borrowing, for an amount equal to the amount and currency of denomination of the lease payments, over a period commensurate with the lease term and in a similar economic environment.

For accounting purposes, the Trust's leases commence on the earlier of (i) the date upon which the Trust obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Trust's leases coincides with the contractual effective date. The Trust's leases generally have minimum base terms with renewal options or fixed terms with early-termination options. Such renewal and early termination options are exercisable at the option of the Trust and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Trust determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised. The Trust's office space originally had a lease term through June 2026 which was amended in October 2023 to extend the lease term through October 2030. These terms have been incorporated into our remeasurement of the related right-of-use assets and lease liabilities.

Rental payments on the Trust's office lease provides for fixed minimum payments that increase over the lease term at predetermined amounts. The Trust includes variable rental payments based on a rate or an index such as the Consumer Price index in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred, which are primarily comprised of utilities, common area maintenance and real estate taxes that are passed on from the lessor totaled approximately $11,000 and $14,000 for the years ended December 31, 2025 and 2024, included in operating and legal expenses on the accompanying special-purpose statements of changes in net claimants' equity.

The components of the Trust's operating lease cost of approximately $197,000 and $197,000 for the years ended December 31, 2025 and 2024, respectively, are included in operating and legal expenses on the special-purpose statements of changes in net claimants' equity.

The remaining term (in years) on the Trust's lease as of December 31, 2025, was 4.8 years. The discount rate for the Trust's lease as of December 31, 2025 and 2024 was 4.66%. The Trust has elected to use risk-free rates based on US government securities for periods comparable with lease terms as the discount rate for its lease.

DII Industries, LLC Asbestos PI Trust Audit 2025

Notes to Special-Purpose Financial Statements

For the years ended December 31, 2025 and 2024, the cash paid for the amounts included in the measurements of lease liabilities was approximately $197,000 and $135,000, respectively.

Future minimum lease payments under non-cancellable leases as of December 31, 2025 were as follows:

Year Ending December 31,		
2026	$	200,954
2027		205,214
2028		209,474
2029		213,733
2030		181,071
Thereafter		-
		1,010,446
Less interest on lease liability		103,829
	$	906,617

Note 10. Commitments and Contingencies

Retirement Plan

The Trust maintains a safe-harbor 401(k) benefit plan (Plan), which, in the years ended December 31, 2025 and 2024, covered all employees who attained age nineteen and completed 12 months of service. The Trust makes matching contributions to the Plan up to 4% of eligible and enrolled employees' annual compensation. The Trust also typically contributes 3% of every eligible employee's annual salary, regardless of whether the employee contributes to the Plan. The Trust's contributions were approximately $209,000 and $225,000 for the years ended December 31, 2025 and 2024, respectively.

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Exhibit B

Claims Disposed Of In 2025

CLAIMS DISPOSED OF IN 2025

	HAL Claims	HAL Payments	HW Claims	HW Payments
Claims Paid in 2025	**4,646**	**$50,641,978.48**	**2,949**	**$68,164,692.00**
Level I. Other Asbestos Disease	14	$1,485.05	13	$4,139.98
Level II. Asbestosis/Pleural Disease	1,503	$1,052,149.94	1,115	$2,697,269.90
Level III. Asbestosis/Pleural Disease	838	$1,279,917.85	638	$2,923,153.68
Level IV. Severe Asbestosis	73	$473,466.15	65	$1,320,348.66
Level V. Other Cancer	224	$1,276,876.14	119	$2,066,532.96
Level VI. Lung Cancer 2	347	$888,584.22	150	$1,915,575.62
Level VII. Lung Cancer 1	697	$5,132,095.00	382	$13,310,633.27
Level VIII. Mesothelioma	950	$40,537,404.13	467	$43,927,037.93
Claims Withdrawn and Deemed Withdrawn in 2025	**4,567**		**4,809**	
Claims Disallowed in 2025	**3,253**		**3,174**	

Exhibit C

2025 Documented Site List Changes

2025 DOCUMENTED SITE LIST - UPDATES

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
3102305	Indiana Farm Bureau Refinery	Mt. Vernon	IN	USA	HAL	5/1/1945	12/31/1982	4/15/2025
3102372	Iowa, Illinois Gas & Electric Company – Moline Generating Station	Moline	IL	USA	HAL	1/1/1952	12/31/1982	4/15/2025
3100097	Allegheny Ludlum Steel	Dunkirk	NY	USA	HAL	1/1/1977	12/31/1982	7/15/2025
3101848	Furnas Electric Company	Batavia	IL	USA	HAL	5/1/1951	12/31/1982	7/15/2025
3104286	Tennessee Valley Authority - Headquarters	Knoxville	TN	USA	HAL	2/21/1940	12/31/1976	10/15/2025

2025 DOCUMENTED SITE LIST - ADDITIONS

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
35010662	USS Forrestal (CVA-59)	Maritime	Maritime	Maritime	HAL	10/1/1955	12/31/1982	4/15/2025

DII Industries Asbestos Trust Annual Reports, 2025 annual report
ACL Doc 14298 · Page 28 of 29
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asbestosclaims.law/library/14298/28

2025 DOCUMENTED SITE LIST - REMOVALS

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
3103247	NY City Board of Transportation (74th St.)	New York	NY	USA	HAL	10/1/1953	12/31/1982	1/15/2025
3101732	Farm Bureau Company	Mt. Vernon	IL	USA	HAL	10/25/1951	12/31/1982	4/15/2025
3104025	Southern California Edison Co.	San Clemente	CA	USA	HAL	1/1/1978	12/31/1982	4/15/2025
35010489	E.I. Du Pont De Nemours	Vee	OH	USA	HAL	4/1/1959	12/31/1982	7/15/2025
3104962	Wilson Company	Chicago	IL	USA	HAL	5/1/1951	12/31/1982	10/15/2025
3104344	The Fluor Corporation	Banister	CA	USA	HAL	10/14/1944	12/31/1982	10/15/2025
3100001	11th Naval District	Barstow	CA	USA	HAL	6/1/1958	12/31/1982	10/15/2025