

PRIVACY NOTICE OF DRESSER INC. GROUP HEALTH PLAN

THIS NOTICE DESCRIBES HOW YOUR MEDICAL INFORMATION MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

THIS NOTICE GIVES YOU INFORMATION REQUIRED BY LAW about the duties and privacy practices of Dresser Inc. GROUP HEALTH PLAN (the "Plan") to protect the privacy of your medical information. The Plan provides medical, prescription drugs, dental, vision and/or health care flexible spending arrangement (FSA) benefits to you as described in your summary plan description(s). The Plan receives and maintains your medical information in the course of providing these health benefits to you. The Plan hires business associates to help it provide these benefits to you. These business associates also receive and maintain your medical information in the course of assisting the Plan. The Plan is sponsored by Dresser Inc. (the "Plan Sponsor").

THE EFFECTIVE DATE OF THIS NOTICE IS APRIL 14, 2003. The Plan is required to follow the terms of this notice until it is replaced. The Plan reserves the right to change the terms of this notice at any time. If the Plan makes changes to this notice, the Plan will revise it and send a new notice to all subscribers covered by the Plan at that time. The Plan reserves the right to make the new changes apply to all your medical information maintained by the Plan before and after the effective date of the new notice.

Purposes for which the Plan May Use or Disclose Your Medical Information Without Your Consent or Authorization

The Plan may use and disclose your medical information for the following purposes:

Health Care Providers' Treatment Purposes. For example, the Plan may disclose your medical information to your doctor, at the doctor's request, for your treatment by him.

Payment. For example, the Plan may use or disclose your medical information to pay claims for covered health care services or to provide eligibility information to your doctor when you receive treatment.

Health Care Operations. For example, the Plan may use or disclose your medical information (i) to conduct quality assessment and improvement activities, (ii) for underwriting, premium rating, or other activities relating to the creation, renewal or replacement of a contract of health insurance, (iii) to authorize business associates to perform data aggregation services, (iv) to engage in care coordination or case management, and (v) to manage, plan or develop the Plan's business.

Health Services. The Plan may use your medical information to contact you to give you information about treatment alternatives or other health-related benefits and services that may be of interest to you. The Plan may disclose your medical information to its business associates to assist the Plan in these activities.

As required by law. For example, the Plan must allow the U.S. Department of Health and Human Services to audit Plan records. The Plan may also disclose your medical information as authorized by and to the extent necessary to comply with workers' compensation or other similar laws.

To Business Associates. The Plan may disclose your medical information to business associates the Plan hires to assist the Plan. Each business associate of the Plan must agree in writing to ensure the continuing confidentiality and security of your medical information.

To the Plan Sponsor. The Plan may disclose to the Plan Sponsor, in summary form, claims history and other similar information. Such summary information does not disclose your name or other distinguishing characteristics. The Plan may also disclose to the Plan Sponsor the fact that you are enrolled in, or disenrolled from the Plan

The Plan may also use and disclose your medical information as follows:

To comply with legal proceedings, such as a court or administrative order or subpoena.

To law enforcement officials for limited law enforcement purposes. To a family member, friend or other person, for the purpose of helping you with your health care or with payment for your health care, if you are in a situation such as a medical emergency and you cannot give your agreement to the Plan to do this.

To your personal representatives appointed by you or designated by applicable law.

For research purposes in limited circumstances.

To a coroner, medical examiner, or funeral director about a deceased person.

To an organ procurement organization in limited circumstances.

To avert a serious threat to your health or safety or the health or safety of others.

To a governmental agency authorized to oversee the health care system or government programs.

To federal officials for lawful intelligence, counterintelligence and other national security purposes.

To public health authorities for public health purposes.

To appropriate military authorities, if you are a member of the armed forces.

Uses and Disclosures with Your Permission

The Plan will not use or disclose your medical information for any other purposes unless you give the Plan your written authorization to do so. If you give the Plan written authorization to use or disclose your medical information for a purpose that is not described in this notice, then, in most cases, you may revoke it in writing at any time. Your revocation will be effective for all your medical information the Plan maintains, unless the Plan has taken action in reliance on your authorization.

Your Rights

You may make a written request to the Plan to do one or more of the following concerning your medical information that the Plan maintains:

To put additional restrictions on the Plan's use and disclosure of your medical information. The Plan does not have to agree to your request.

To communicate with you in confidence about your medical information by a different means or at a different location than the Plan is currently using. The Plan does not have to agree to your request unless such confidential communications are necessary to avoid endangering you and your request continues to allow the Plan to collect premiums and pay claims. Your request must specify the alternative means or location to communicate with you in confidence. Even though you requested that we communicate with you in confidence, the Plan may give subscribers cost information.

To see and get copies of your medical information. In limited cases, the Plan does not have to agree to your request.

To correct your medical information. In some cases, the Plan does not have to agree to your request.

To receive a list of disclosures of your medical information that the Plan and its business associates made for certain purposes for the last 6 years (but not for disclosures before April 14, 2003).

To send you a paper copy of this notice if you received this notice by e-mail or on the internet.

If you want to exercise any of these rights described in this notice, please contact the Privacy Officer (below). The Plan will give you the necessary information and forms for you to complete and return to the Privacy Officer. In some cases, the Plan may charge you a nominal, cost-based fee to carry out your request.

Complaints

If you believe your privacy rights have been violated by the Plan, you have the right to complain to the Plan or to the Secretary of the U.S. Department of Health and Human Services. You may file a complaint with the Privacy Officer. We will not retaliate against you if you choose to file a complaint with the Plan or with the U.S. Department of Health and Human Services.

Contact Information

To request additional copies of this notice or to receive more information about our privacy practices or your rights, please contact us at:

Dresser Inc., Group Health Plan Privacy Officer
Telephone: 1-866-325-8214
Fax: 972-361-9945
E-mail: HQBenefits@Dresser.com
Address: 15455 Dallas Parkway, Suite 1100, Addison, TX 75001