

DuPont/Chemours/Corteva Allocation Procedures Executive Summary

Phase 1 and Phase 2 Class Members

Under the Allocation Procedures, Class Members are classified as either a Phase 1 Class Member or Phase 2 Class Member. Phase 1 Class Members are Public Water Systems in the United States that draw or otherwise collect from any groundwater well or surface water system (Water Source) that, on or before DATE, was tested for PFAS and found to contain PFAS at any level (Impacted Water Source). Phase 2 Class Members are Public Water Systems in the United States that, as of DATE, are 1) subject to the monitoring rules set forth in Unregulated Contaminant Monitoring Rule 5 (UCMR5) (*i.e.*, “large” systems serving more than 10,000 people and “small” systems serving between 3,300 and 10,000 people), or 2) required under applicable state law or federal law to test or otherwise analyze any of their Water Sources or the water they provide for PFAS before the UCMR5 deadline.

Phase 1 Class Members must file Claims Forms by DATE to the Claims Administrator who will allocate settlement funds according to the terms set forth in the Allocation Procedures. Phase 2 Class Members must also file Claims Forms to the Claims Administrator, but the Phase 2 Class Members will receive the amount that it would have received had it been a Phase 1 Class Member. Phase 2 Claims Forms are due DATE, which allows for Phase 2 Class Members to test all its Water Sources along the same calendar timeline as the UCMR5 deadlines.

Very Small Public Water System Payments

All Phase 1 and Phase 2 Class Members that are listed in the Safe Drinking Water Information System (SDWIS) as Transient Non-Community Water Systems (TNCWS) and Non-Transient Non-Community Water Systems (NTCWS) serving less than 3,300 people may apply for Phase 1 or Phase 2 Very Small Public Water System Payments. Phase 1 Very Small Public Water System Claims Forms are due by DATE and Phase 2 Very Small Public Water System Claims Forms are due by DATE. The Claims Administrator will issue a payment of \$_____ to the TNCWS and \$_____ to the NTCWS serving less than 3,300 people.

Base Scores

Many Class Members are facing federal and state regulations related to PFAS. As a result, the Allocation Procedures are designed to allocate money based on factors that dictate

water treatment. It is well documented in the scientific literature and well known throughout the public water industry that the costs associated with water treatment consist of 1) capital costs and 2) operation and maintenance costs. The Allocation Procedures utilize capital costs and operation and maintenance costs as the method of scoring each Impacted Water Source. Capital costs are mainly driven by the Water Source's flow rate. Operation and maintenance costs are mainly driven by the levels of PFAS in the water. The Claims Administrator will input the flow rates and PFAS concentrations from the Claims Forms into an EPA derived formula that calculates a score for each Impacted Water Source.

Adjusted Base Scores

The Claims Administrator will then evaluate the Claims Forms of each Class Members to determine if it is eligible for three bumps: the Litigation Bump, Bellwether Bump and the Regulatory Bump. The Litigation Bump will apply to Class Members with a pending lawsuit against the Settling Defendants alleging PFAS contaminated drinking water. The Bellwether Bump will apply to the ten Class Members that served as the Public Water Provider Bellwether plaintiffs. The Regulatory Bump will apply when an Impacted Water Source exceeds an applicable state Maximum Contaminant Level (MCL) or the proposed federal MCL. After the Claims Administrator applies the appropriate bumps to each Impacted Water Source, the Claims Administrator will use the new scores to determine how much of the total settlement amount each Impacted Water Source will receive.

Settlement Amounts

The information required by the settlement model is not publicly available and is only obtainable through the Claims Forms submitted by Class Members. Thus, the amount that each Class Member will receive is not determinable until the Claims Administrator analyzes all the Claims Forms submitted by the Claims Form deadline.

Special Needs Funds

Special Needs Funds will be established by the Claims Administrator for Phase 1 and Phase 2 Class Members that have expended monetary resources on extraordinary efforts to

address PFAS contamination in its Impacted Water Sources. Class Members can file a Special Needs Fund Claims Form to be considered for reimbursement of these funds.

Supplemental Funds

The Claims Administrator will also establish Phase 1 and Phase 2 Supplemental Funds so that Class Members who did not initially exceed a state or federal MCL when it submitted its Claims Form can request additional funds if it later exceed a state or federal MCL.

Baseline Testing

The Allocation Procedures require Phase 1 and Phase 2 Class Members to perform Baseline Testing which means Class Members must test every Water Source it owns for PFAS. Baseline Testing is important for Phase 1 and Phase 2 Class Members because it is necessary to determine which Water Sources currently have PFAS detections so that it can submit Claims Forms, be scored and receive settlement funds.

Under UCMR5, Phase 2 Class Members are only required to test for PFAS at the entry points to its distribution system, but Baseline Testing requires Phase 2 Class Members to test every Water Source. Because Baseline Testing for Phase 2 Class Members goes beyond the requirements of UCMR5, the Settling Defendants will compensate Phase 2 Class Members for each Water Source that must be tested to meet Baseline Testing requirements. Baseline Testing Claims Forms must be received by DATE.