MEMORANDUM:

THE PARTIES' JOINT INTERPRETIVE GUIDANCE ON CERTAIN RELEASE ISSUES

This memorandum provides guidance on certain issues relating to the interpretation of the release provisions in the Settlement Agreement between Public Water Systems and Carrier Global Corporation ("Carrier").

1. Paragraphs 12.1.2.1 and 12.1.2.2 of the Settlement Agreement describe certain Claims to which certain parts of the definition of the Release (at Paragraph 12.1.1(i)–(iii)) do not apply. Paragraph 12.1.2.1 provides in part:

> Paragraph 12.1.1(i)–(iii) does not apply to a Class Member's Claim related to the remediation, testing, monitoring, or treatment of real property to remove or remediate PFAS where (i) the Class Member owns or possesses real property and has legal responsibility to remove contamination from or remediate contamination of such real property; (ii) such real property is *separate from and not related in any way to* the Class Member's Public Water System (such as an airport or fire training facility) . . . . (emphasis added)

Paragraph 12.1.2.2 provides in part:

> Paragraph 12.1.1(i)–(iii) does not apply to a Class Member's Claim related to the discharge, remediation, testing, monitoring, treatment, or processing of stormwater or wastewater to remove or remediate PFAS at its permitted stormwater system or permitted wastewater facility where (i) the Class Member owns or operates a permitted stormwater system or permitted wastewater facility; (ii) such facility is *separate from and not related in any way to* the Class Member's Public Water System such as a separate stormwater or wastewater system that is not related in any way to a Public Water System); . . . . (emphasis added)

It is the Parties' joint understanding that the words "separate from" and "not related in any way to" in the two clauses italicized above mean "separate from and not physically related to."

2. Paragraph 2.11 of the Settlement Agreement defines the term "Claim" to include a claim for "contribution" or "indemnity." Such a Claim is released only to the extent that it is within the definition of "Release" or "Released Claims" in Paragraph 12.1 of the Settlement Agreement. Accordingly, a Claim for contribution or indemnity that relates to matters that are excluded from the definition of Release or Released Claims (e.g., a Claim that falls within the exceptions in Paragraph 12.1.2 of the Settlement Agreement) is not released.

3. Paragraph 2.60(c) of the Settlement Agreement defines the term "Releasing Parties" to include, among others, "any past, present, or future administrators, agents, attorneys, board members, counsel, directors, employees, executors, heirs, insurers, managers, members, officers (elected or appointed), predecessors, principals, servants, shareholders, subrogees, successors, trustees, water-system operators, and assignees or other representatives, of any of the

foregoing in their official or corporate capacity." It is the Parties' joint understanding that this language does not mean that such individual persons release personal Claims (i.e., for personal injury).