



Combat Arms Resolution Investor Conference Call
Kevin Rhodes and Bruce Jermeland
August 29, 2023

Slide 1, Cover page
Bruce Jermeland, Senior Vice President, Investor Relations

Thank you and good morning, everyone ... we appreciate you joining us on short notice, as we want to share more details and answer your questions about our settlement announcement earlier this morning.

With me today is Kevin Rhodes, our chief legal affairs officer. Kevin will make some formal comments, and then we will take your questions.

Please note that today's press release and slide presentation are posted on the home page of our investor relations website at 3M.com.

Please turn to slide two.

Slide 2, Forward looking statements
Bruce Jermeland

Please take a moment to read the forward-looking statement. During today's conference call, we will make certain predictive statements that reflect our current views about 3M's future performance and financial results. These statements are based on certain assumptions and expectations of future events that are subject to risks and uncertainties. Item 1A of our most recent Form 10-Q lists some of the most important risk factors that could cause actual results to differ from our predictions.

Please note, the charge associated with the settlement agreement announced today will be reflected as an adjustment in arriving at 3M's results, adjusted for special items.

With that, please turn to slide three and I will now hand the call off to Kevin.

Kevin.

Slide 3, Combat Arms Earplugs litigation
Kevin Rhodes, Executive Vice President and Chief Legal Affairs Officer

Thank you, Bruce, and good morning everyone.

Today is an important step forward for 3M. We have entered into a settlement agreement intended to resolve the litigation and all claims involving the Combat Arms Earplugs.

Before I go into details about the settlement, I want to provide some background about the Combat Arms earplugs and the litigation. The products at issue in the litigation were developed by Aearo Technologies for the U.S. military prior to 3M's acquisition of Aearo in 2008, and were sold from 1999 until 2015.

These products offered protection from high-level impulse noises, such as gunfire, while allowing users to hear lower-level sounds, like speech. When used properly, the products were safe and effective for their intended purpose.

However, since 2019, 3M and Aearo have faced litigation from individuals alleging hearing injury. These claims have been centralized in a multi-district litigation in federal court in Florida and a state court in Minnesota.

As the litigation has progressed, our focus has been on achieving a full and final resolution on acceptable terms. The settlement we are announcing today is intended to do that.

Now, I will provide some more detail on our agreement. Please turn to slide 4.

Slide 4, Agreement to resolve Combat Arms claims **Kevin Rhodes**

This agreement was reached through a mediation process involving mediators appointed by the federal and state courts, and the negotiating plaintiffs' counsel appointed by the courts. The agreement is structured to promote participation by claimants and to help provide greater certainty and finality for all involved.

To be clear: the parties that worked in the mediation – 3M and Aearo, the courts, and the plaintiffs' counsel – are committed to the successful implementation of the agreement.

The agreement specifies total consideration of 6 billion dollars, payable from 2023 to 2029, and is comprised of 5 billion dollars in cash and 1 billion dollars worth of 3M common stock. The total pre-tax present value of the agreement is 5.3 billion dollars.

The company will record a pre-tax charge of approximately 4.2 billion dollars in the third quarter of 2023, representing the 5.3 billion dollar pre-tax present value of the agreement, net of 3M's existing accrual of approximately 1.1 billion dollars related to this matter. This charge will be reflected as an adjustment in arriving at 3M's results, adjusted for special items.

3M is actively engaged in insurance recovery activities, and Aearo initiated insurance recovery litigation against its carriers in June related to the Combat Arms litigation.

This agreement is not an admission of liability. 3M is prepared to continue to defend itself in the litigation if certain terms in the settlement agreement are not fulfilled.

Now, please turn to slide 5 for more details about the agreement structure and anticipated payment schedule.

Slide 5, Settlement structured to promote participation and finality **Kevin Rhodes**

The settlement is structured to promote claimant participation and is intended to achieve a full and final resolution of all claims and cases. The parties and courts will work together to implement the agreement, including reaching the claimant participation levels set forth in the agreement that trigger the payments summarized here.

Initial payments that will be made through the end of this year are expected to total up to 660 million dollars. These payments are intended to resolve all adverse trial verdicts as well as bellwether cases and the

federal and state cases that are farthest along under the court's scheduling orders. Also, the payments will fund the expedited releases of certain claims.

After that, there is a series of payments, contingent on reaching specific participation levels. This structure is designed to help promote participation by all claimants.

Once 98% of claimants join the settlement, that triggers 3.5 billion dollars in payments that 3M is scheduled to make between 2024 and 2027 pursuant to the payment schedule set forth in the agreement. We anticipate that the payments will include a mix of cash and 3M common stock.

The use of stock in this agreement will be subject to a hearing, which we anticipate the MDL court will hold before the end of the year. This proceeding is specifically focused on the use of 3M common stock as a form of consideration provided to fund the settlement fund. This hearing is not for approval of the settlement agreement.

Beyond the 98% participation level, as higher claimant participation levels are met, additional payments are triggered. The agreement is structured for payments of up to 1 billion dollars in 2026, 100 million dollars in 2028, and 100 million dollars in 2029, provided the specified participation levels are met.

In addition, the agreement specifies further payments from 2026 to 2029 structured as finality and reserve fund payment. The specific conditions for triggering those payments are confidential under court order, but as explained in the Settlement Agreement, it is the parties' goal to resolve all Combat Arms claims, including those potentially that may be filed in the future. The finality payments are made in 2026 and 2027, and the Reserve Fund includes payments up to 550 million dollars.

For any claimants that choose to continue to litigate and not accept the settlement, the courts will establish a comprehensive process, including hearings, mandatory mediation, and orders setting out the fact and expert evidence required to proceed. The courts have indicated they intend to keep this process in place until 2031.

Now please turn to slide 6.

Slide 6, Anticipated Payment Schedule **Kevin Rhodes**

This slide lays out the anticipated payment schedule under the agreement, as set forth in its terms. This schedule reflects the earliest anticipated payment dates based on reaching participation levels, however, it is important to note that payments will be made according to the schedule, not when the participation level is reached.

The schedule shown here reflects the initial payments of up to 660 million dollars this year, and the next payments, beginning in 2024, are contingent upon achieving the 98% claimant participation level. Those payments and the others I discussed on the previous slide are anticipated to proceed as shown here, with payments continuing on the agreed upon schedule until 2029.

Next slide, please.

Slide 7, 2023 Next Steps **Kevin Rhodes**

This slide shows the next steps for implementing the settlement agreements for the remainder of 2023.

As I mentioned, the courts are entering case management orders to support implementation of the settlement. The identification of claimants and notification of their opportunity to participate in the settlement can also begin immediately.

On September 8th, a 10 million dollar payment will be made to set up the settlement administration process. The MDL Court has indicated that it will also hold a hearing expected to be on that same date, which is another opportunity to provide public notice of the agreed-upon settlement terms.

The initial payments I discussed to resolve cases and release certain claims in 2023 are scheduled to be made in third and fourth quarters.

We estimate the court hearing that is specific to the use of 3M common stock to fund a portion of the settlement will take place on or about Dec. 1st.

In closing:

The Combat Arms settlement agreement announced today, along with the previously announced PFAS Public Water System settlement agreement demonstrates our continued focus on managing litigation.

Regarding the Public Water System settlement, we have resolved questioned raised by state Attorneys General about certain provisions of the settlement agreement and they have withdrawn their objections. Subject to the PFAS MDL court approval, the amended agreement preserves 3M's intention to benefit U.S. based public water systems nationwide that provide drinking water to a vast majority of Americans, resolve ongoing litigation, and release from potential future litigation all at the previously announced present value cost of 10.3 billion dollars payable over 13 years.

With today's Combat Arms settlement and the settlement agreement with Public Water Systems, we continue to take steps forward to address litigation risks and focus on driving business performance.

Thank you all again for being on the call today, and now, Bruce and I will be happy to take your questions.

Slide 8, Questions & Answers

Julian Mitchell - Barclays Bank PLC, Research Division - Research Analyst

Congratulations on getting to this settlement point. Maybe just any context would be welcome, Kevin or Bruce, around the equity portion of the settlement, the sort of the thinking behind that \$1 billion in 3M common stock. The company isn't highly levered in any way. So just maybe some thoughts from your side, and if it's possible to speak on behalf of many of the plaintiffs in terms of sort of how you got to that \$1 billion number and why there is an equity portion.

Kevin Rhodes

Yes, sure. Happy to talk about that. So just as a reminder, so the overall transaction is structured to include \$6 billion of payments through 2029, and that includes the \$5 billion in cash and \$1 billion in 3M common stock, subject to the approval process that I talked about this morning. So that results in the overall pretax present value of \$5.3 billion.

So relative to the use of equity, I can -- what I can say is the overall terms of the agreement were reached through the confidential mediation process that we previously disclosed that was underway. And in those discussions, the terms are reached with plaintiff's counsel. Beyond that, I can't go into the specifics of the

negotiations, but I can say that we were pleased to reach terms acceptable to all parties, and those terms included the equity component of the consideration that's being provided.

I should note as well that our current plan of record is to issue the equity, subject to the conditions that I mentioned. But if anything changes, we can always reevaluate that plan. We have retained under the agreement the right to substitute an equivalent value in cash for any of the equity payments.

Julian Mitchell

I see. But my follow-up would just be around the fact that investors and shareholders shouldn't look at that \$1 billion equity number and think, oh, this must signify some concerns from the 3M management team around the sort of future balance sheet leverage, what that might mean for the dividend payout schedule. That was sort of where I was coming from.

Kevin Rhodes

No. No, I wouldn't say -- characterize it in any way like that. I would say that it was a product of terms that were discussed and desired and agreed to in a negotiation. And importantly, we have retained that flexibility to make cash payments. So we'll see how circumstances develop. And that ability to substitute cash is unfettered under the agreement, so we'll keep track of that and decide what to do at the appropriate time.

Joseph Ritchie - Goldman Sachs Group, Inc., Research Division - VP & Lead Multi-Industry Analyst

Yes, congratulations on getting to this point regarding the litigation. Just maybe my first question is just focused on the claim participation threshold and specifically the denominator. How locked in is the denominator to that equation? And specifically, can future claimants participate in this settlement? How does that actually work?

Kevin Rhodes

Yes. So in a general sense, when you think about the claimant participation level, the numerator would be the number of claimants who are participating in the settlement or who have had their cases dismissed, and then the denominator is the total claimant population. So as we work through this settlement, that denominator will be defined by providing lists of current claims, current known claimants who haven't yet filed and there'll be a process where that information is gathered.

It will proceed over the next 4 months. And then there's a 2-month extension after the initial registration date to a final registration date where the participation threshold will be calculated initially. That deadline can be extended. But after that, the agreement does contemplate that future claims will come in and can be addressed under the terms of the agreement. So those future claims would be added into the denominator, whether they come in during that 6-month period, I talked about or thereafter. And as they come in, they would factor into the calculation of the claimant participation level.

Joseph Ritchie

Got it, okay. That's super helpful. And then I guess just my follow-on question, as you kind of think about the cash portion of the payment for 2024, if you combine this amount, call it, roughly \$650 million plus the amount that was contemplated under the public water utility settlement, I'm just wondering, have you -- are there any thoughts at this point on how that's going to be funded? And then specifically, the cash that's on the balance sheet today, how much of that cash is actually restricted versus free and available to fund those two payments?

Kevin Rhodes

Joe, I'm going to turn that one over to Bruce. But before I do, I just wanted to mention that we did file a Form 8-K with the SEC this morning, and an exhibit to that form includes the full -- all of the full settlement agreements along with their exhibits with the exception of a couple confidential exhibits under a court sealing order. But that does lay out the full payment schedule, and that's Exhibit 1 to the master settlement agreement. So I did want to make that note for the record and turn it over to Bruce.

Bruce Jermeland

Yes, Joe, relative to funding the payments related to this agreement, along with the public water supplier agreement, first and foremost, obviously, the strength of the 3M business model generates strong robust cash flow. In addition, as we have discussed for much of the past year, we have obviously the intended spin of Health Care that's pending. Upon spin, we anticipate to lever the business 3 to 3.5x, which will provide a one-time payment to 3M.

And then also 3M intends to retain 19.9% minority equity position that provides additional financial flexibility. And then finally, as you note, 3M does have a very strong capital structure so that also provides flexibility. So the combination of all those factors, we believe, provide good financial flexibility to address the payment schedule for both the public water system settlement, along with the Combat Arms settlement.

Deane Dray - RBC Capital Markets, Research Division - MD of Multi-Industry & Electrical Equipment & Analyst

I appreciate all the color this morning. Just first question would be on your insurance assets. There was a filing last year that said you had two carriers, one at \$550 million and another just over \$1 billion. Where do those stand? And you said that you've made those filings earlier. Just the expectations, how contentious will that be? Just any color there would be helpful.

Kevin Rhodes

Yes. Thanks for the question, Deane. So yes, those filings that you referenced, those were for the -- a portion of the coverage that Aearo has as a legacy coverage and then the 3M coverage, and both of those are coverage that we're seeking to access to offset a portion of the cost of these agreements. So as I mentioned, we've been in discussions both 3M and Aearo, and we're at the early stages of those discussions.

Aearo has also initiated, filed a suit in June in Delaware court to seek determination of coverage under its policy. So early in the process, but we are moving forward and all of our carriers are noticed, and we began those discussions, and in the case of Aearo, initiated action and we'll continue to move through that process and provide updates as we go.

Deane Dray

Great, that's helpful. And just on the PFAS side, just a couple of updates if we could. The initial agreement included 19 utilities, drinking water utilities out of the 15,000 in the U.S. Do you have any update, and I know there's an automatic opt-in, but any update on either how many utilities have notified you they will not participate? Just your sense there on what the timing is. And then lastly, anything on plans for addressing the wastewater plants and their damages and costs as well as product liability? And anything on the international front would be helpful.

Kevin Rhodes

Yes. So as I mentioned earlier in my opening remarks, the process thus far under the public water systems settlement has involved addressing questions that were raised by the state Attorneys General's offices. We've addressed those, as I mentioned. They have withdrawn their objection. So we're now in a position the parties believe the settlement is fair for the class members, and the overall agreement is now before the MDL court for preliminary approval.

So as your question about opt-outs, the process hasn't really begun yet. It won't begin after that preliminary approval. We believe that, that will take place over several months' period to a final approval. And at that point, we'll know where we are in terms of any opt-outs and take action depending on what we learned through that process.

With respect to that resolution, it's certainly an important step forward for 3M. Drinking water claims have been a major focus of the PFAS litigation to date, and the public water systems cases constitute a significant portion of our PFAS litigation docket. Other parts of the docket, you mentioned the wastewater and personal injury, some of the other claims. They're not as advanced. Those will continue to progress. That will take time. Every docket of cases is based on its own particular facts and legal theories and so it will take time to work through those. And many of those are only at the very earlier stages, you mentioned, international. That's one that will take additional time to work through as well.

So it would be premature at this point to talk about how those might be resolved or when. But we -- what I can say is that we'll continue to address the remainder of the PFAS docket by defending ourselves in court or through negotiated resolutions all as appropriate and will continue to share information as we can in our SEC filings.

Joseph O'Dea - Wells Fargo Securities, LLC, Research Division - Senior Equity Analyst

First, on Combat Arms. Just under a scenario where you don't get to 98% participation level in 2024, how does that play out? I thought you commented that the funding was sort of structured at this point, so you would continue to fund even if it's not at that level, but just under that kind of scenario, how we should think about how things play out.

Kevin Rhodes

Yes. So let me start by saying that our intent, and I think the intent of everyone certainly has been involved in that process to date, is to reach the 98% participation level as well as the higher participation levels that I talked about earlier. The parties and the courts will be working together to provide an opportunity for all claimants to participate. And the courts will play a key role in that process through the case management orders that were entered this morning and are being entered to help implement the settlement process.

The 98% threshold is the threshold to trigger all of the payments that we talked about in 2024. So the only payments that are -- that I talked about that wouldn't be subject to that or the other thresholds is that \$660 million in 2023 for the verdict and waived cases, the administrative expenses and some early claims releases. The rest are contingent on the 98% or the higher thresholds. So the payments would not continue in 2024 unless and until that threshold is met, and they wouldn't become due. As soon as the threshold was met, they'd be on the schedule set forth in Exhibit 1 of the agreement.

So there is an opt-out right. If the 98% isn't reached and we would address that if we came to it, but at this point, it's certainly our intent. And I think everyone's intent that has been involved in this process to hit that 98% threshold and the other ones as well.

Joseph O'Dea

And then on the public water suppliers and the sort of opposition from Attorneys General, can you just expand a little bit on sort of the core elements of that opposition and it seems like that was resolved rather quickly. And so kind of what was discussed, what was resolved there?

Kevin Rhodes

Yes. There were some questions raised about the scope and the intent of the agreement. I think the updated agreement clarifies and certainly reaffirms the party's intent that the agreement is intended to support funding for PFAS remediation for public water systems nationwide that provide drinking water to the vast majority of Americans. The present value pretax of that agreement is \$10.3 billion over 13 years, so none of that has changed in the agreement. And I'd refer you to the court filings that were just made that have the specifics of some of the clarifying amendments that were made to the agreement. And that amended agreement is what's now before the MDL court for preliminary approval.

Jeffrey Sprague - Vertical Research Partners, LLC - Founder & Managing Partner

First, just kind of back to the equity component, appreciate the color about the optionality to give -- to switch it to cash. But clearly, you must have had the desire or the need to kind of hedge yourself here with the equity. So could you just kind of address that a little bit? And then what is the nature of the requirement from the court to use equity? Is that somehow hinged on your financial metrics or something else? Is there some kind of evaluation associated with the safety, stability of the equity that's part of the court decision-making process there?

Kevin Rhodes

Yes. So let me -- I'll start with the first part of the question, and I'll say it was just -- I really said what I can. The mediation process and the discussions that went into it are confidential. I would say that when you think about the equity component of this settlement around with -- along with the optionality to substitute cash, it provides optionality there, and we'll continue to look at those options as we move forward. So really, we'll have to stay with that on the first part of your question.

On the second part of your question, it doesn't have to do anything with the value of the company or anything like that. It has to do with an exemption to register in the stock prior to put it -- putting it into the qualified settlement fund, so under SEC law, and part of that establishing entitlement to that exemption and being authorized to provide the stock to the fund as a court hearing just to ascertain whether it's fair to provide equity as a component to the settlement funding.

If that were not to take place and we weren't able to get the exemption, we would again have the option to substitute cash for that equity. So it's not a question of the entire deal being contingent on that. It's just a formality or a technicality for issuing stock to fund -- help to fund the settlement.

Jeffrey Sprague

And then maybe just as a follow-up, kind of back to Joe's question about 98% participation. So if I understand the 9 or 10 cases that you've lost that tens of millions of dollars a piece are going to stand, and

you're going to make those payments that -- correct me if I'm wrong on that, but that would seem to be a pretty strong motivation for less than 98% of people to get on board this, right? I'm sure not all these claims are as legitimate.

They're not all equally legitimate, I suppose, in some respects, although you probably can't address that point. But again, just the dollars that have been found against you would seem to really mitigate against claimants getting on board at net of legal fees and everything is actually going to be a fairly small amount of money if we're dividing this by 300,000-some-odd plaintiffs.

Kevin Rhodes

Well, I would say that as we've disclosed previously, there have been extensive negotiations around this deal. It's been subject to a mediation process for many months. Participants have included both 3M and Aearo but also the plaintiff's negotiating counsel, which were appointed by the courts, both the federal and state courts to represent the interest of the claimants. And the structure, the terms of the deal reflect the agreement that was reached, and the parties are aligned in terms of implementing the settlement successfully and providing that path to a full and final resolution. And these are the terms that were deemed to be appropriate to put us on that path.

Christopher Snyder - UBS Investment Bank, Research Division – Analyst

I wanted to follow up on some of the communication around the dividend as that's the biggest investor incoming this morning. In addition to the litigation payouts between the earplugs and PFAS, you're also obviously spinning out Health Care, which is maybe 30%, 35% of company EBITDA. Can you just talk about how the company views the dividend as it stands today? Obviously, 6% yield probably maybe wasn't intended to be at that level.

Bruce Jermeland

Yes, Chris, if you think about our capital allocation priorities for 3M, they remain unchanged. Our first priority remains investing in the business because that's where we generate our strongest returns. Secondly, certainly, 3M has a long history of paying a dividend, and we expect that to be a priority for the company as we move forward. Thirdly is to pursue strategic M&A to augment our organic growth strategies. And then finally, share repurchase is the last priority.

Relative to the dividend, as I mentioned, that is an important aspect of our capital allocation priorities. At the end of the day, the dividend is a decision of the Board of Directors. And it's up to them to determine what they think the appropriate level of the dividend for the company to be going forward.

Nigel Coe - Wolfe Research, LLC - MD & Senior Research Analyst

I just want to go back to Jeff's question about the incentives for rogue attorneys or those who feel that they've got a genuine hearing loss and then decide to pursue litigation. Are there -- I mean, I haven't gone through the 8-K filing this morning, but are there guardrails in place to try and get these folks back into the settlements or mediation? I mean, what kind of defenses do you have to prevent another wave of litigation outside of this settlement?

Kevin Rhodes

So the settlement is structured, as I mentioned earlier, to incent full participation, so to provide options for expedited early releases and then the additional payments at the participation levels. Having said that, if

claimants wish to continue to litigate and not to participate in the settlement, there is a process that's being put into place. It's being implemented by the court's case management orders that are being entered by the federal and state courts to help administer the settlement.

And that will include early case evaluation, hearings, a mediation process and a process for gathering fact and expert evidence to support the claims. And after working through that process, the claimants who nonetheless choose not to participate can eventually pursue their claims through litigation, but the agreement also provides mechanisms to resolve those claims as well as time goes on. So certainly contemplate incentives for full participation but claims that continue to be litigated will be part of the process that the courts are implementing with our orders today.

Nigel Coe

Okay, great. And my follow-up question is, can you just confirm that, or not, that these payments will be eligible for tax reduction? And now that we've got some crystallized payment schedules for both the water settlement and the Combat Arms, do you expect the Health Care spin to absorb some of those payments or will that be outside of this settlement?

Bruce Jermeland

Yes, Nigel, we do believe that the payments will be tax-deductible as they're paid. So as Kevin mentioned, the pretax present value is \$5.3 billion, so you'd have to adjust for the tax impact.

Kevin Rhodes

Yes. And these settlements are contemplated to be with ParentCo so the Combat Arms liability and the legacy PFAS liability is being retained by ParentCo post spin.

Patrick Baumann - JPMorgan Chase & Co, Research Division - Analyst

This is Pat Baumann on for Steve Tusa. First one is just in terms of the timing of this agreement. Did the -- it just comes on the heels obviously of the June -- I think it was the June agreement for the PFAS with the public water authorities. The timing of that settlement have anything to do with the timing of this agreement, did the negotiation accelerate as a result of that PFAS settlement?

Kevin Rhodes

No, I would say the timing more reflects our commitment to proactively manage litigation, to look for opportunities to resolve cases where appropriate. We've been focused on that for both of the dockets that we've talked about this morning for some time. And the settlements came together roughly at the same time, but that's more a product of our engagement and seeking resolution opportunities. Not any more direct linkage than that.

Patrick Baumann

Great. And then one follow-up is on mechanics of the way that you're presenting the pretax discounted value. So the discount rate, I think you used for the PFAS settlement, was 5.2% per your 10-Q filing. What's the discount rate you're using for this particular agreement? And then why are you using the discount rate that you're using?

Bruce Jermeland

Yes, Pat. So relative to the discount rate, it is 5.6%. We engaged with external institutions, taking a look at the interest rate relative to each of the years that the payments will be made over. So that 5.6% represents a weighted average of the payment schedule as we laid out in today's slide deck. So the rate was determined through external engagement with external parties.

Patrick Baumann

And the 5.6% includes the cost of equity in that number?

Bruce Jermeland

Yes, it's a balance over that payment period.

Vladimir Bystricky - Citigroup Inc., Research Division - VP and Analyst

Thanks for hosting the call and on information. Just quickly for me, have you had -- ahead of this announcement, have you had conversations with the credit ratings agencies? And can you talk about any indications they've given of how this settlement, following the PFAS one, could impact their view on 3M's credit rating going forward?

Bruce Jermeland

Yes, Vlad, we do have regular and ongoing discussions with the rating agencies, similar that we have with our equity investors. Ultimately, the rating of 3M is up to the rating agencies, not up to 3M. But we do have regular and ongoing conversations with them. So what they ultimately do with the rating is their decision.

Vladimir Bystricky

Okay, understood. And then maybe just a last quick 1 for me. On the potential insurance recoveries and insurance claims that you filed, is the \$1.5 billion in claims kind of the maximum in insurance recoveries that you could potentially get? Or are there any other pools of available coverage or other recovery mechanisms potentially available?

Kevin Rhodes

Yes. We're still working through that process. There is -- those policies that were referenced earlier were ones that had been discussed as part of the settlement negotiations, and there are -- we're still working through what other availability there might be. So that will develop over time as we work through the recovery efforts. And the agreement provides that we'll be providing recoveries as part of the funding with some backstops in place over time as we work through that process.

Daniel Rizzo - Jefferies LLC, Research Division - Equity Analyst

This is Dan Rizzo on for Laurence. I was on mute. Everything has been answered so I just have a really quick question. Somebody mentioned 300,000 plaintiffs outstanding for this. I thought the number was closer to 200,000. I was just -- would just a little bit of clarification on what we're talking about here.

Kevin Rhodes

Yes. I think the numbers change frequently. I think the latest numbers that I saw for active plaintiffs, I think, was about 246,000 in the federal MDL, so thereabouts, but of course, it changes as time goes on, and we'll be -- as we implement the settlement, we'll be working through the process of cataloging all of the numbers and making sure that we've got the full total.

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