

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MAINE

MAINE PEOPLE’S ALLIANCE and)
NATURAL RESOURCES DEFENSE)
COUNCIL, INC.,)

Plaintiffs,)

v.)

1:00-CV-00069-JAW

HOLTRACHEM MANUFACTURING)
COMPANY, LLC and)
MALLINCKRODT US LLC,)

Defendants.)

**QUARTERLY PROGRESS REPORT FOR THE FOURTH QUARTER OF 2022
BY GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
FOR PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS
TRUST**

Greenfield Penobscot Estuary Project Trust LLC, not individually but solely in its representative capacity as Trustee for the Penobscot Estuary Beneficial Environmental Projects Trust, respectfully files this Quarterly Progress Report for the Fourth Quarter of 2022. This report is submitted in accordance with the Consent Decree in the above-captioned case (ECF 1187) and covers the period from March 31, 2021 through December 21, 2022.

Respectfully,

GREENFIELD PENOBSCOT ESTUARY
PROJECT TRUST LLC, TRUSTEE

By: /s/ Anna Grace
Senior Counsel

March 31, 2023

QUARTERLY PROGRESS REPORT FOR THE FOURTH QUARTER 2022

GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
for PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS TRUST



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QUARTERLY PROGRESS REPORT FOR FOURTH QUARTER 2022
For PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS TRUST
By GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE

I. Overview

A. Introduction

Greenfield Penobscot Estuary Project Trust LLC (the Trustee), not individually but solely in its representative capacity as Trustee of the Penobscot Estuary Beneficial Environmental Projects Trust (the Project Trust), respectfully submits this Quarterly Progress Report for the Fourth Quarter of 2022 (the 4Q22 Progress Report). The Trustee prepared this 4Q22 Progress Report in accordance with the Consent Decree in the case *Me. People's All. and Nat. Res. Def. Council, Inc. v. HoltraChem Mfg. Co., LLC and Mallinckrodt US LLC*, Case No. 1:00-cv-00069-JAW (D. Me.) (the Consent Decree). The Consent Decree requires the Trustee to submit quarterly progress reports describing the progress to date toward fulfilling the Trustee's and the Project Trust's obligations under the Consent Decree. This 4Q22 Progress Report is the first Quarterly Progress Report prepared and submitted by the Trustee.

On March 19, 2021, the Parties¹ lodged a proposed consent decree with the United States District Court for the District of Maine (the Court), including a proposed trust agreement, the Penobscot Estuary Beneficial Environmental Projects Trust Agreement (Appendix C to the Consent Decree). On March 30, 2021, the Parties executed the trust agreement (as amended from time to time, the Project Trust Agreement) and Mallinckrodt created the Project Trust. The Court issued an Order conditionally approving the proposed consent decree on August 4, 2022 (ECF No. 1180) and the Parties subsequently filed a revised proposed consent decree and amended the Project Trust Agreement in compliance with the Court's Order. The Court entered the Consent Decree (as revised) on October 11, 2022. (ECF No. 1187.)

B. Report Contents and Structure

The Consent Decree requires the Trustee to submit to the Beneficiaries and file with the Court a written report describing the cumulative actions taken by the Project Trust or the Trustee in the performance of duties required under the Consent Decree. The Statement of Work (Appendix A to the Consent Decree) refers to these reports as Quarterly Progress Reports. The Quarterly Progress Reports must be submitted and filed within ninety days after the end of each calendar quarter. Each report must also include financial statements and receipts and disbursements for the preceding quarter, and a description of plans for upcoming Work.

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Consent Decree.

Paragraph 25(c) of the Statement of Work requires each Quarterly Progress Report to be a standalone document that summarizes the current status of the Work. Each Quarterly Progress Report may be structured as an iterative revision of the previous report, with substantial changes or additions clearly marked to allow readers to easily identify what has changed. Paragraph 25(b) of the Statement of Work sets out specific categories of information that must be included in the Quarterly Progress Report, as follows: (i) actions taken toward achieving compliance with the Consent Decree; (ii) a summary of key results of sampling, tests, and all other data generated by the Project Trust and its contractors; (iii) a list and brief description of submitted Deliverables; (iv) a description of activities relating to the Work scheduled for the next four months; (v) an updated Milestone Work Schedule; (vi) modifications to work plans or schedules; (vii) activities undertaken in support of the Community Involvement Plan; (viii) updates to the form, location, or management of the project database; and (ix) financial statements, and receipts and disbursements.

The 4Q22 Progress Report presents the information required by the Consent Decree in six Sections, as described below.

- Section II – Summary of Work Progress

Section II summarizes the Project Trust's Work progress during the Reporting Period (as defined in Part I.C, below) and Work planned during the following four months. Section II presents the information required under Paragraph 25(b) in the following sequence: (i) actions taken toward achieving compliance with the Consent Decree; and (ii) a description of Work activities planned during the following four months. Because the Project Trust has not funded or implemented Beneficial Environmental Projects, no sampling or test results, or other data were generated during the Reporting Period.

- Section III – Milestone Work Schedule

In future Quarterly Progress Reports, Section III will present the current Milestone Work Schedule required by Paragraphs 25(b)(v) and 32 of the Statement of Work. The Milestone Work Schedule will identify key activities and plans for the five-year period starting with the subject quarter. Quarterly Progress Reports will also present information on the percentage of completion for Work identified to date, delays encountered or anticipated that may have a substantive effect on future Work implementation schedules, and efforts made to anticipate and mitigate delays.

- Section IV – Community Involvement Plan (CIP)

Section IV provides a summary of coordination with the Trustee for the Penobscot Estuary Mercury Remediation Trust (the Remediation Trust) in support of the CIP during the Reporting Period and activities planned for the following four months.

- Section V – Project Database

Section V provides a summary of coordination with the Trustee for the Remediation Trust concerning the form, location, or management of the project database.

- Section VI – Administrative Activities

Section VI describes activities performed by the Project Trust that are administrative in nature and funded by the Administrative Account, including the financial affairs of the Project Trust, insurance, general contracting and procurement, and Beneficiary communications.

- Section VII - Financial Statements

Section VII presents the financial statements of the Project Trust and Trust Accounts through the end of the most recent calendar quarter, including receipts and disbursements of the Trust for the subject quarter.

C. Period Covered by the 4Q22 Progress Report

As required by Paragraph 38(b) of the Consent Decree, the 4Q22 Progress Report describes the cumulative actions taken by the Project Trust and the Trustee in the performance of the duties required under the Consent Decree. For purposes of this report, the period covered is from March 30, 2021 through December 31, 2022 (the Reporting Period). More specifically, because the Project Trust was created and funded before the Court entered the Consent Decree, the 4Q22 Progress Report describes actions taken by the Project Trust and the Trustee not only during the most recent calendar quarter, but also the period beginning March 30, 2021 (when the Project Trust was created) through October 11, 2022 (when the Court entered the Consent Decree).

II. Summary of Project Trust Work Progress

Section II of the 4Q22 Progress Report provides a summary of the Project Trust's or the Trustee's cumulative actions taken in the performance of duties related to the Work required under the Consent Decree. Paragraphs 13, 23, 29, and 32 of the Consent

Decree describe Work activities and other obligations related to the Beneficial Environmental Projects Work Category.

Consistent with Paragraph 25(b) of the Statement of Work, this Section II of the 4Q22 Progress Report provides the following information concerning Work related to Beneficial Environmental Projects: (i) a summary of actions taken toward achieving compliance with the Consent Decree; and (ii) a description of all activities relating to Beneficial Environmental Projects that are scheduled for the next four months.

A. Actions Taken Toward Achieving Consent Decree Compliance

The Project Trust is responsible for overseeing, funding, and implementing Beneficial Environmental Projects, which may also be Restoration Projects. The Consent Decree sets out general decision-making procedures for selecting Beneficial Environmental Projects. Under Paragraph 32 of the Consent Decree, the Trustee is responsible for recommending Beneficial Environmental Projects for funding and implementation by the Project Trust to the Beneficiaries for comment or objection. Additionally, each of the Beneficiaries may propose Beneficial Environmental Projects to the Trustee.

The Consent Decree describes several factors that the Trustee must consider when determining what projects to recommend and fund as Beneficial Environmental Projects, which include: (i) whether the project was recommended by a Beneficiary; (ii) the requirements of Paragraph 13 of the Consent Decree; and (iii) the funding schedule set forth in Paragraph 32(b) of the Consent Decree. The Trustee may also consider other factors. To efficiently administer Trust funds and to assist the Trustee in recommending projects that are likely to have the most tangible environmental or public benefits, the Trustee intends to develop additional processes and protocols for selecting, funding, implementing, and overseeing Beneficial Environmental Projects consistent with the requirements of the Consent Decree, including the development of objective criteria for evaluating proposed projects.

B. Work Scheduled for the Period from January 1, 2023 through April 30, 2023

As noted below in Section VI (Administrative Activities), the Trustee will submit to the Beneficiaries for review and comment a proposed process for evaluating and recommending Beneficial Environmental Projects for funding and implementation.

III. Milestone Work Schedule

In future Quarterly Progress Reports, after commencement of the process for selecting, funding, and implementing Beneficial Environmental Projects, Section III will present a Milestone Work Schedule summarizing key activities and estimated timeframes for Work anticipated during the five-year period, starting with the relevant

reporting period. Key submittals and specific Work completion targets for Beneficial Environmental Projects that have been selected will also be included in the Milestone Work Schedule, as appropriate.

IV. Community Involvement Plan

In future Quarterly Progress Reports, after commencement of the process for selecting, funding, and implementing Beneficial Environmental Projects, Section IV will present a description of activities undertaken by the Project Trust or the Trustee in support of community involvement activities during the Reporting Period and a description of those activities planned to be undertaken in the proceeding four months. During the Reporting Period, all actions undertaken to achieve compliance with Consent Decree requirements concerning community involvement have been performed by the Remediation Trust or the Trustee for the Remediation Trust. These activities are described in the Quarterly Progress Report for the Remediation Trust for the fourth quarter of 2022.

V. Updates to Project Database

Paragraph 26 of the Statement of Work requires the Trustee to “maintain a project database containing all data generated by the Trustee and its contractors necessary to complete the required Work...” The database must include all Site data provided by the Beneficiaries, and the Trustee must provide the Beneficiaries with access to the project database. Paragraph 25(b)(viii) of the Statement of Work requires the Quarterly Progress Report to include a summary of updates to the form, location, or management of the project database. During the reporting period, all actions to achieve compliance with Consent Decree requirements related to the project database have been undertaken by the Trustee for the Remediation Trust. These activities are described in the Quarterly Progress Report for the Remediation Trust for the fourth quarter of 2022.

VI. Administrative Activities

Section VI of the 4Q22 Progress Report describes activities undertaken by the Project Trust associated with administration or management of the Project Trust, including taxes, investment and safekeeping of assets, insurance, and financial affairs. Section VI also covers administrative activities the Project Trust expects to undertake during the period from January 1, 2023 to April 30, 2023. All costs related to the administrative activities described in this Section are paid from the Administrative Account for the Project Trust.

A. Actions Taken to Achieve Compliance with the Consent Decree and Fulfill Administrative Duties During the Reporting Period

1. Communications with the Beneficiaries

a) Beneficiary Meetings.

During the Reporting Period, the Project Trust participated in twelve meetings with representatives for the Beneficiaries. These meetings were conducted primarily via videoconference. The purposes of these meetings included: (i) providing updates on the status of the Work; reviewing various financial matters, such as budgets, forecasts, investment policy, third-party accountants, and invoicing; and (ii) consulting on a variety of administrative and legal matters including insurance, third-party contracts, Beneficiary communications, Consent Decree interpretation, and the Court process, including the fairness hearing. A list of these meetings with the Beneficiaries, including a brief description of each event's purpose or subject matter, is set out in Table 6-1.

b) Other Events.

The Court held a three-day fairness hearing in Bangor, Maine, to hear testimony regarding whether the proposed settlement as set forth in the Consent Decree was fair, reasonable, and in the public interest. The Court received comments directly from members of the public about the proposed settlement. The Court also heard testimony from the Parties and their experts. At the Beneficiaries' request, Cynthia Brooks, President of Greenfield Environmental Trust Group, Inc. (Greenfield), appeared at the fairness hearing to provide testimony concerning the Trustee's role in carrying out the purposes of the proposed consent decree and Greenfield's experience serving as a court-appointed trustee for other environmental response trusts. Also in October of 2021, the Trustee participated in a boat tour of the Penobscot River Estuary with representatives of the Beneficiaries. These events are included in Table 6-1.

c) Written Beneficiary Communications.

Paragraph 27 of the Statement of Work requires the Trustee to submit draft and final copies of Deliverables to the Beneficiaries as required by the Consent Decree and the Statement of Work. The Consent Decree and the Statement of Work include additional specific requirements concerning the submission of various notices and other documents to the Beneficiaries. In compliance with these requirements, during the Reporting Period the Trustee submitted various required notices and other documents to the Beneficiaries by electronic mail. This included submissions and consultations to provide opportunity for Beneficiary comment or objection within the prescribed timeframes set out in the Consent Decree, the Project Trust Agreement, and the Statement of Work. A list of all such notifications, consultations, and submittals to the Beneficiaries during the Reporting Period is included in Table 6-2. The Project Trust has

also provided information and progress updates, and sought feedback from the Beneficiaries on a host of other matters during the Reporting Period.

d) Tables 6-1 and 6-2.

Table 6-1 (below) list the Trustee's meetings with the Beneficiaries, including a brief description of the purpose or subject matter of each meeting.

Table 6-1	
Beneficiary Meetings during the Reporting Period	
Date	Purpose of Meeting
August 19, 2021	Project Trust Preliminary Budget Review and Pre-Effective Date Activities
September 23, 2021	Discuss Fairness Hearing
September 30, 2021	Discuss Fairness Hearing
October 2, 2021	Penobscot River Boat Tour
October 3, 2021	Discuss Fairness Hearing
October 4, 2021	Testimony at Fairness Hearing
November 9, 2021	Project Trust Updates Regarding Administrative Duties
January 18, 2022	Review Pre-Effective Date Budgets
April 20, 2022	Review Investment Strategy
May 4, 2022	Follow-up Review of Investment Strategy and Discuss Form of Master Professional Services Agreements
October 26, 2022	Legal/Financial Affairs Review
December 14, 2022	Project Trust Draft 2023 Budget, Work Plans, Cash Flow Forecast Review

Table 6-2 (following page) sets out the Trustee's notifications, consultations, and submittals to the Beneficiaries during the Reporting Period.

Table 6-2 - Beneficiary Notification, Consultation, or Submittal During Reporting Period	
Date	Brief Description and Reference to Consent Decree Requirement
April 3, 2021	Notice and Opportunity to Comment or Object to Proposed Selection Process for Investment Advisor and Asset Custodian
April 8, 2021	Notice and Opportunity to Comment or Object to Retention of Investment Advisor and Asset Custodian (Trust Agreement, § 4.4)
April 16, 2021	Transmittal of IRS Form W-9 and Request for Taxpayer Identification Number
July 15, 2021	Notice and Opportunity to Comment or Object to the 2021 Pre-Consent Decree Budget and Activities (Trust Agreement, § 3.2.4)
October 10, 2021	Notice and Opportunity to Comment or Object to Use of Maine-Based Bank (Trust Agreement, § 3.4)
January 23, 2022	Notice and Opportunity to Comment or Object to Retention of Legal Counsel (Trust Agreement, § 4.4)
February 1, 2022	Notice and Opportunity to Comment on Proposed Presentation to Maine Department of Environmental Protection
May 16, 2022	Notice and Opportunity to Comment or Object to 2022 Annual Pre-Consent Decree Budgets and Activities (Trust Agreement, § 3.2.4)
June 30, 2022	Notice and Opportunity to Comment or Object to Trustee Invoices for the Period March 31, 2021 to March 31, 2022 (Trust Agreement, § 3.2.4)
September 26, 2022	Notice and Opportunity to Comment or Object to Retention of Professional Accounting Firm (Trust Agreement, § 4.4)
October 21, 2022	Notice and Opportunity to Comment or Object on Revised 2022 Annual Pre-Consent Decree Budget and Activities (Trust Agreement, § 3.2.4)
December 6, 2022	Notice and Opportunity to Comment or Object to Trustee Invoices for the Period April 1, 2022 to September 30, 2022 (Trust Agreement, § 3.2.4)
December 12, 2022	Notice and Opportunity to Comment or Object to Draft 2023 Annual Budget and Work Plans (Consent Decree ¶ 34; Trust Agreement, § 2.4.2)
December 13, 2022	Revised Project Trust Agreement Signature Coordination

2. Financial Affairs

a) Initial Funding of the Trust.

Consistent with Paragraph 19 of the Consent Decree, Mallinckrodt transferred to the Project Trust \$500,000 and \$4,650,000 on April 29, 2021 and December 22, 2022, respectively.²

b) Creation of Trust Accounts and Subaccounts.

Consistent with Paragraph 24 of the Consent Decree, the Project Trust created an Administrative Account and a Trust Remediation Account to receive funds in accordance with the allocations for performance of the Work selected, approved, and authorized under the Consent Decree, the Statement of Work, and Project Trust Agreement.

c) Investments

The Project Trust consulted with the Beneficiaries regarding its strategy and objectives for investment and safekeeping of Trust Assets, including: (i) the preservation of funds (subject to periodic distributions in accordance with the Consent Decree); (ii) maintaining sufficient liquidity to efficiently manage Project Trust affairs consistent with its purposes, responsibilities, and obligations under the Consent Decree; and (iii) realizing favorable and reasonable returns on investment. The Project Trust also consulted with the Beneficiaries concerning the selection and retention of an investment advisor and asset custodian. Project Trust funds remain invested in accordance with the investment parameters set forth in Section 2.5.1 of the Project Trust Agreement.

d) Banking

In accordance with Section 3.4 of the Project Trust Agreement, after consulting with the Beneficiaries, the Project Trust retained a local bank in Maine to provide checking (i.e., working) account services to support disbursement of operational expenses.

² The total amount transferred to the Trusts by Mallinckrodt on April 29, 2021 was \$10,000,000, with \$9,500,000 directed to the Remediation Trust and \$500,000 directed to the Project Trust. The total amount transferred to the Trusts by Mallinckrodt on December 22, 2022, was \$15,000,000, with \$10,350,000 directed to the Remediation Trust and \$4,650,000 directed to the Project Trust. The combined total amount transferred to the Trusts during the Reporting Period was \$25,000,000.

e) Annual Budgets, Work Plans and Cash Flow Projections.

Prior to the Effective Date of the Consent Decree, the Trustee submitted periodic budget requests to the Beneficiaries to fund limited pre-effective date activities in compliance with Section 3.2.4 of the Project Trust Agreement. On December 12, 2022, the Project Trust submitted the Draft 2023 Annual Budgets, Work Plans, and Cash Flow Projections to the Beneficiaries for comment and objection pursuant to Paragraph 34(b) of the Consent Decree.

f) Tax Reporting.

Consistent with Section 6.3 of the Project Trust Agreement, the Trustee has taken all reasonable actions necessary to ensure that the Project Trust qualifies as an environmental remediation trust as described in Treasury Regulation Section 301.7701-4(e) and a “grantor trust” within the meaning of Sections 671 through 679 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes, with Mallinckrodt treated as the owner of the Project Trust and Trust Assets for federal tax purposes, including by filing required documents with the Internal Revenue Service. The Trustee filed IRS Form 1041, U.S. Income Tax Return for Trusts and Estates for the 2021 tax year on September 30, 2022.

g) Annual Invoices to Mallinckrodt.

Consistent with Paragraph 35(b) of the Consent Decree, on December 19, 2022, the Trustees for the Remediation Trust and the Project Trust submitted an annual invoice to Mallinckrodt for funding in the total amount of \$15,000,000 million.

h) Trustee Invoices.

In accordance with Section 3.2.4 of the Project Trust Agreement, during the Reporting Period, the Trustee submitted invoices detailing its fees and expenses to the Beneficiaries for comment and objection. Trustee invoices were submitted on June 30, 2022 and December 6, 2022 for fees and expenses incurred from March 31, 2021 to September 30, 2022.

i) Recordkeeping and Financial Controls.

In accordance with Paragraph 36 of the Consent Decree, the Trustee maintains proper books, records, and accounts relating to the Project Trust. In addition, consistent with its fiduciary duties, the Trustee established a comprehensive, fully integrated financial and project controls system designed to safeguard funds dedicated to the protection of human health and the environment, ensure compliance with the requirements of the Consent Decree, and provide timely, meaningful financial information to the Beneficiaries. By employing a broad range of internal and third-party

controls, the Trustee has established efficient, cost-effective, consistent protocols that, among other things: (i) clearly define roles, responsibilities and authorities; (ii) ensure accuracy of financial, technical and legal information; and (iii) provide multiple points of independent verification and validation of financial matters. The Trustee developed and implemented the budget, project, invoicing, tracking, investment management and safekeeping controls described in Section VI of the Quarterly Progress Report for the Fourth Quarter of 2022 prepared and submitted by the Trustee of the Remediation Trust.

j) Financial Assurance.

Paragraph 20 of the Consent Decree requires Mallinckrodt to secure a surety bond in the amount of \$65 million for the benefit of the Project Trust³ that substantially conforms to the form of surety bond set out in Appendix D to the Consent Decree. Pursuant to Paragraph 20(b), Mallinckrodt submitted the surety bond (as executed by the surety company), effective December 11, 2022 (within sixty days after the Effective Date of the Consent Decree), which was received by the Project Trust on January 25, 2023. Since then, the Trustee has diligently monitored the adequacy of the financial assurance (including the surety bond and the surety company that issued the bond).

3. General Contracting and Procurement

After consulting with the Beneficiaries on its standard contract terms and conditions (as required by Paragraph 38 of the Statement of Work) to be used for engaging third parties and review by outside counsel, the Trustee finalized its standard form of Master Professional Services Agreement.

4. Insurance

Consistent with Paragraph 39(a) of the Statement of Work and Section 4.13 of the Project Trust Agreement, after consulting with the Beneficiaries, the Remediation Trust bound a three-year combined insurance policy, naming the Project Trust as an additional insured, to appropriately and cost-effectively protect both Trusts' assets and the Beneficiaries against potential claims relative to pre-construction activities. The combined policy included commercial general liability, contractor's pollution liability, and professional liability insurance at appropriate coverage levels.

5. Records and Data Management

The Trustee developed records management protocols and identified the preferred records management repositories (for working and permanent files).

³ The surety bond must be posted for the benefit of the Project Trust and the Remediation Trust.

B. Administrative Activity Plans for the Period from January 1, 2022 to April 30, 2023

1. Trust Management and Beneficiary Communications

The Trustee will submit to the Beneficiaries for review and comment a proposed process for evaluating and recommending Beneficial Environmental Projects for funding and implementation. The Project Trust also plans to continue to participate in meetings with the Beneficiaries, provide written notices and submissions to the Beneficiaries as required by the Consent Decree, the Statement of Work, and the Project Trust Agreement, and consult with the Beneficiaries as needed to carry out its responsibilities.

2. Financial Affairs

a) Budgets.

The Trustee plans to finalize and submit to the Beneficiaries the Final 2023 Annual Budgets, Work Plans, and Cash Flow Projections.

b) Financial and Project Controls.

The Project Trust will maintain comprehensive financial and project controls to deploy and safeguard funds dedicated to funding Work at the Site through Beneficial Environmental Projects under the Consent Decree.

c) Quarterly Report.

The Project Trust will prepare and complete the 4Q22 Progress Report, and will begin to prepare the next required Quarterly Progress Report.

d) Audit.

The Trustee will coordinate with the Beneficiaries regarding the independent third-party auditor and audit required by the Consent Decree and Project Trust Agreement.

3. Records and Data Management

The Trustee will consult with the Beneficiaries regarding online storage and data platform and the retention of an Information Technology specialist consultant. The Trustee will also implement the comprehensive online storage and records management system for permanent and working files.

VII. Financial Statements

As required under Paragraph 25(b)(ix) of the Statement of Work, financial statements of the Trust and Trust Accounts for the Reporting Period are set forth on the following pages.

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1 Market Square
Augusta, ME 04330

207-622-4766
wipfli.com

Accountant's Compilation Report

To the Trustees and Beneficiaries
Greenfield Penobscot Estuary Project Trust LLC
Trustee of the Penobscot Estuary Beneficial Environmental Projects Trust

The Trustees are responsible for the accompanying special purpose financial statements of the Penobscot Estuary Beneficial Environmental Projects Trust, which comprise the statements of net trust assets as of December 31, 2022 and 2021, and the related statements of changes in net trust assets for the years then ended and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶ 38 of the Consent Decree approved and entered by the U.S. District Court for the District of Maine (*Maine Peoples Alliance and NRDC v. Holtrachem Manufacturing Company, LLC*, et al., No. 1:00-cv-00069-JAW (D. Maine)), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in special purpose financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the special purpose financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net assets, additions, and deductions. Accordingly, the special purpose financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Trust Administrative Account, the Trust Remediation Account (General), and the Trust Remediation Account for Beneficial Environmental Projects Supplemental Statements of Net Trust Assets, Supplemental Statements of Changes in Net Trust Assets, Supplemental Schedule of Detail Changes in Net Trust Asset and Budget to Actual information are presented for purposes of additional analysis and are not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Greenfield Penobscot Estuary Project Trust LLC.

Wipfli LLP

Wipfli LLP
March 24, 2023

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Statement of Net Trust Assets
As of December 31, 2022

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Assets					
Cash	\$ 24,201.94	\$ 19,816.94	\$ 4,385.00	\$ -	\$ 4,385.00
Investments, money market funds	5,132,754.73	25,532.32	5,107,222.41	4,650,000.00	457,222.41
Total Assets	<u>\$ 5,156,956.67</u>	<u>\$ 45,349.26</u>	<u>\$ 5,111,607.41</u>	<u>\$ 4,650,000.00</u>	<u>\$ 461,607.41</u>
Liabilities					
Accounts Payable	\$ 10,804.62	\$ 10,804.62	\$ -	\$ -	\$ -
Due to Remediation Trust	2,051.10	2,051.10	-	-	-
Due to (from) Inter-Trust Accounts ¹	-	(300,000.00)	300,000.00	4,650,000.00	(4,350,000.00)
Total Liabilities	<u>12,855.72</u>	<u>(287,144.28)</u>	<u>300,000.00</u>	<u>4,650,000.00</u>	<u>(4,350,000.00)</u>
Net Trust Assets	<u>5,144,100.95</u>	<u>332,493.54</u>	<u>4,811,607.41</u>	<u>-</u>	<u>4,811,607.41</u>
Total Liabilities & Net Trust Assets	<u>\$ 5,156,956.67</u>	<u>\$ 45,349.26</u>	<u>\$ 5,111,607.41</u>	<u>\$ 4,650,000.00</u>	<u>\$ 461,607.41</u>

Statement of Changes in Net Trust Assets
For the Year Ended December 31, 2022

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Total Deductions from Net Trust Assets	\$ (14,161.62)	\$ (14,161.62)	\$ -	\$ -	\$ -
Total Additions to Net Trust Assets	12,043.50	514.22	11,529.28	-	11,529.28
Change in Net Trust Assets	<u>(2,118.12)</u>	<u>(13,647.40)</u>	<u>11,529.28</u>	<u>-</u>	<u>11,529.28</u>
Net Trust Assets, Beginning	496,219.07	46,140.94	450,078.13	-	450,078.13
Funding	4,650,000.00	300,000.00	4,350,000.00	-	4,350,000.00
Net Trust Assets, Ending	<u>\$ 5,144,100.95</u>	<u>\$ 332,493.54</u>	<u>\$ 4,811,607.41</u>	<u>\$ -</u>	<u>\$ 4,811,607.41</u>

¹Pursuant to ¶ 19(c) of the Consent Decree, required 2022 funding in the amount of \$15,000,000 was received from Mallinckrodt in December 2022. Of the total \$15,000,000 received, the portion allocated to the Project Trust in the amount of \$4,650,000 was deposited into the Trust Remediation Account (General). Funds will be distributed to the Administrative Account and the Trust Remediation Account for Beneficial Environmental Projects after 2023 final budgets are issued. The remaining \$10,350,000 was allocated to the Penobscot Estuary Mercury Remediation Trust.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Statement of Net Trust Assets
As of December 31, 2021

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Assets					
Cash	\$ 10,985.00	\$ 10,985.00	\$ -	\$ -	\$ -
Investments, money market funds	489,081.23	39,003.10	450,078.13	-	450,078.13
Total Assets	<u>\$ 500,066.23</u>	<u>\$ 49,988.10</u>	<u>\$ 450,078.13</u>	<u>\$ -</u>	<u>\$ 450,078.13</u>
Liabilities					
Accounts Payable	\$ 3,847.16	\$ 3,847.16	\$ -	\$ -	\$ -
Total Liabilities	<u>3,847.16</u>	<u>3,847.16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Trust Assets	<u>496,219.07</u>	<u>46,140.94</u>	<u>450,078.13</u>	<u>-</u>	<u>450,078.13</u>
Total Liabilities & Net Trust Assets	<u>\$ 500,066.23</u>	<u>\$ 49,988.10</u>	<u>\$ 450,078.13</u>	<u>\$ -</u>	<u>\$ 450,078.13</u>

Statement of Changes in Net Trust Assets
For the Year Ended December 31, 2021¹

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Total Deductions from Net Trust Assets	\$ (3,847.16)	\$ (3,847.16)	\$ -	\$ -	\$ -
Total Additions to Net Trust Assets	66.23	(11.90)	78.13	-	78.13
Change in Net Trust Assets	<u>(3,780.93)</u>	<u>(3,859.06)</u>	<u>78.13</u>	<u>-</u>	<u>78.13</u>
Net Trust Assets, Beginning	-	-	-	-	-
Funding	500,000.00	50,000.00	450,000.00	-	450,000.00
Net Trust Assets, Ending	<u>\$ 496,219.07</u>	<u>\$ 46,140.94</u>	<u>\$ 450,078.13</u>	<u>\$ -</u>	<u>\$ 450,078.13</u>

¹Pursuant to the Penobscot Estuary Beneficial Environmental Projects Trust Agreement (Project Trust Agreement) made on March 30, 2021, and dated as of October 11, 2022, the Effective Date of the Project Trust Agreement is March 30, 2021. The Effective Date of the Consent Decree approved and entered by the U.S. District Court for the District of Maine (*Maine Peoples Alliance and NRDC v. Holtrachem Manufacturing Company, LLC*, et al., No. 1:00-cv-00069-JAW (D. Maine) is October 11, 2022.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)

Trust Administrative Account

Supplemental Statements of Net Trust Assets

As of December 31, 2022 and 2021

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash	\$ 19,816.94	\$ 10,985.00
Due from Trust Remediation Account (General) ¹	300,000.00	-
Investments, money market funds	25,532.32	39,003.10
Total Assets	<u>\$ 345,349.26</u>	<u>\$ 49,988.10</u>
Liabilities		
Accounts Payable	\$ 10,804.62	\$ 3,847.16
Due to Remediation Trust	2,051.10	-
Total Liabilities	<u>12,855.72</u>	<u>3,847.16</u>
Net Trust Assets, Administrative	<u>332,493.54</u>	<u>46,140.94</u>
Total Liabilities & Net Trust Assets	<u>\$ 345,349.26</u>	<u>\$ 49,988.10</u>

Supplemental Statements of Changes in Net Trust Assets

As of December 31, 2022 and 2021

	<u>Year Ended December 31, 2022</u>	<u>Year Ended December 31, 2021</u>
Total Deductions from Net Trust Assets	\$ (14,161.62)	\$ (3,847.16)
Total Additions to Net Trust Assets	514.22	(11.90)
Change in Net Trust Assets	<u>(13,647.40)</u>	<u>(3,859.06)</u>
Net Trust Assets, Administrative Beginning	46,140.94	-
Funding	300,000.00	50,000.00
Net Trust Assets, Administrative Ending	<u>\$ 332,493.54</u>	<u>\$ 46,140.94</u>

¹Pursuant to ¶ 19(c) of the Consent Decree, 2022 funding was received from Mallinckrodt in December 2022. The required 2022 funding for the Trust Administrative Account, in the amount of \$300,000, was deposited into the Trust Remediation Account (General) and will be transferred into the Administrative Account after 2023 final budgets are issued.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Administrative Account
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

	Quarter Ended December 31, 2022	Year Ended December 31, 2022	Revised Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:					
1.A · Trust Management and Beneficiary Communications	\$ 598.00	\$ 1,492.40	\$ 8,100.00	\$ (6,607.60)	18.4%
1.B · Financial Affairs	4,744.62	9,419.12	12,400.00	(2,980.88)	76.0%
1.C · General Contracting and Procurement	-	-	-	-	0.0%
1.D · Insurance	115.00	2,166.10	3,100.00	(933.90)	69.9%
1.E · Records and Data Management	-	-	-	-	0.0%
1.F · Pre-Effective Date Setup Activities	-	1,084.00	1,200.00	(116.00)	90.3%
Total Deductions from Net Trust Assets	5,457.62	14,161.62	24,800.00	(10,638.38)	57.1%
Additions to Net Trust Assets:					
Investment Income, net of expenses	258.79	514.22	-	514.22	
Total Additions to Net Trust Assets	258.79	514.22	-	514.22	
Change in Net Trust Assets	\$ (5,198.83)	\$ (13,647.40)	\$ (24,800.00)	\$ 11,152.60	
Net Trust Assets, Administrative Beginning Funding		46,140.94			
Net Trust Assets, Administrative Ending		<u>300,000.00</u>			
		<u>\$ 332,493.54</u>			

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2021

	Year Ended December 31, 2021	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
1.A · Trust Management and Beneficiary Communications	\$ 57.50	\$ 3,000.00	\$ (2,942.50)	1.9%
1.B · Financial Affairs	2,862.16	5,000.00	(2,137.84)	57.2%
1.C · General Contracting and Procurement	-	-	-	0.0%
1.D · Insurance	-	2,000.00	(2,000.00)	0.0%
1.E · Records and Data Management	-	-	-	0.0%
1.F · Pre-Effective Date Setup Activities	927.50	1,000.00	(72.50)	92.8%
Total Deductions from Net Trust Assets	3,847.16	11,000.00	(7,152.84)	35.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	(11.90)	-	(11.90)	
Total Additions to Net Trust Assets	(11.90)	-	(11.90)	
Change in Net Trust Assets	\$ (3,859.06)	\$ (11,000.00)	\$ 7,140.94	
Net Trust Assets, Administrative Beginning Funding		-		
Net Trust Assets, Administrative Ending		<u>50,000.00</u>		
		<u>\$ 46,140.94</u>		

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)

Trust Remediation Account (General)

Supplemental Statements of Net Trust Assets

As of December 31, 2022 and 2021

	December 31, 2022	December 31, 2021
Assets		
Cash	\$ -	\$ -
Investments, money market funds	4,650,000.00	-
Total Assets	\$ 4,650,000.00	\$ -
Liabilities		
Accounts Payable	\$ -	\$ -
Due to (from) Inter-Trust Accounts ¹	4,650,000.00	-
Total Liabilities	4,650,000.00	-
Net Trust Assets, Remediation (General)	-	-
Total Liabilities & Net Trust Assets	\$ 4,650,000.00	\$ -

Supplemental Statements of Changes in Net Trust Assets

As of December 31, 2022 and 2021

	Year Ended December 31, 2022	Year Ended December 31, 2021
Total Deductions from Net Trust Assets	\$ -	\$ -
Total Additions to Net Trust Assets	-	-
Change in Net Trust Assets	-	-
Net Trust Assets, Remediation (General) Beginning	-	-
Funding	-	-
Net Trust Assets, Remediation (General) Ending	\$ -	\$ -

¹Pursuant to ¶ 19(c) of the Consent Decree, required 2022 funding in the amount of \$15,000,000 was received from Mallinckrodt in December 2022. Of the total \$15,000,000 received, the portion allocated to the Project Trust in the amount of \$4,650,000 was deposited into the Trust Remediation Account (General). Funds will be distributed to the Administrative Account and the Trust Remediation Account for Beneficial Environmental Projects after the 2023 final budgets are issued. The remaining \$10,350,000 was allocated to the Penobscot Estuary Mercury Remediation Trust.

See Accountant's Compilation Report

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account (General)
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

	Quarter Ended December 31, 2022	Year Ended December 31, 2022	Revised Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:					
A - Planning, Investigation, and Studies	\$ -	\$ -	\$ -	\$ -	0.0%
B - Design, Construction, and Implementation	-	-	-	-	0.0%
C - Community Involvement	-	-	-	-	0.0%
D - Database and Records Management	-	-	-	-	0.0%
E - Permitting and Regulatory Coordination	-	-	-	-	0.0%
F - Trustee Technical, Contract, and Project Management	-	-	-	-	0.0%
H - Access and Property Management	-	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	-	-	0.0%
Additions to Net Trust Assets:					
Investment Income, net of expenses	-	-	-	-	
Total Additions to Net Trust Assets	-	-	-	-	
Change in Net Trust Assets	\$ -	\$ -	\$ -	\$ -	
Net Trust Assets, Remediation (General) Beginning		-			
Funding		-			
Net Trust Assets, Remediation (General) Ending		\$ -			

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2021

	Year Ended December 31, 2021	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
A - Planning, Investigation, and Studies	\$ -	\$ -	\$ -	0.0%
B - Design, Construction, and Implementation	-	-	-	0.0%
C - Community Involvement	-	-	-	0.0%
D - Database and Records Management	-	-	-	0.0%
E - Permitting and Regulatory Coordination	-	-	-	0.0%
F - Trustee Technical, Contract, and Project Management	-	-	-	0.0%
H - Access and Property Management	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	-	0.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	-	-	-	
Total Additions to Net Trust Assets	-	-	-	
Change in Net Trust Assets	\$ -	\$ -	\$ -	
Net Trust Assets, Remediation (General) Beginning		-		
Funding		-		
Net Trust Assets, Remediation (General) Ending		\$ -		

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account for Beneficial Environmental Projects
Supplemental Statements of Net Trust Assets
As of December 31, 2022 and 2021

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash	\$ 4,385.00	\$ -
Due from Trust Remediation Account (General) ¹	4,350,000.00	-
Investments, money market funds	457,222.41	450,078.13
Total Assets	<u>\$ 4,811,607.41</u>	<u>\$ 450,078.13</u>
Liabilities		
Accounts Payable	\$ -	\$ -
Due to (from) Inter-Trust Accounts	-	-
Total Liabilities	-	-
Net Trust Assets, Remediation Account for Beneficial Environmental Projects	4,811,607.41	450,078.13
Total Liabilities & Net Trust Assets	<u>\$ 4,811,607.41</u>	<u>\$ 450,078.13</u>

Supplemental Statements of Changes in Net Trust Assets
As of December 31, 2022 and 2021

	<u>Year Ended December 31, 2022</u>	<u>Year Ended December 31, 2021</u>
Total Deductions from Net Trust Assets	\$ -	\$ -
Total Additions to Net Trust Assets	11,529.28	78.13
Change in Net Trust Assets	11,529.28	78.13
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning	450,078.13	-
Funding	4,350,000.00	450,000.00
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending	<u>\$ 4,811,607.41</u>	<u>\$ 450,078.13</u>

¹Pursuant to ¶ 19(c) of the Consent Decree, 2022 funding was received from Mallinckrodt in December 2022. The required 2022 funding for the Trust Remediation Account for Beneficial Environmental Projects, in the amount of \$4,350,000, was deposited into the Trust Remediation Account (General) and will be transferred into the Trust Remediation Account for Beneficial Environmental Projects after 2023 final budgets are issued.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account for Beneficial Environmental Projects
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

	Quarter Ended December 31, 2022	Year Ended December 31, 2022	Revised Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:					
2.A - Planning, Investigation, and Studies	\$ -	\$ -	\$ 5,500.00	\$ (5,500.00)	0.0%
2.B - Design, Construction, and Implementation	-	-	-	-	0.0%
2.C - Community Involvement	-	-	-	-	0.0%
2.D - Database and Records Management	-	-	-	-	0.0%
2.E - Permitting and Regulatory Coordination	-	-	-	-	0.0%
2.F - Trustee Technical, Contract, and Project Management	-	-	-	-	0.0%
2.H - Access and Property Management	-	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	5,500.00	(5,500.00)	0.0%
Additions to Net Trust Assets:					
Investment Income, net of expenses	8,581.82	11,529.28	-	11,529.28	
Total Additions to Net Trust Assets	8,581.82	11,529.28	-	11,529.28	
Change in Net Trust Assets	\$ 8,581.82	\$ 11,529.28	\$ (5,500.00)	\$ 17,029.28	
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning		450,078.13			
Funding		4,350,000.00			
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending		\$ 4,811,607.41			

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2021

	Year Ended December 31, 2021	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
2.A - Planning, Investigation, and Studies	\$ -	\$ -	\$ -	0.0%
2.B - Design, Construction, and Implementation	-	-	-	0.0%
2.C - Community Involvement	-	-	-	0.0%
2.D - Database and Records Management	-	-	-	0.0%
2.E - Permitting and Regulatory Coordination	-	-	-	0.0%
2.F - Trustee Technical, Contract, and Project Management	-	-	-	0.0%
2.H - Access and Property Management	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	-	0.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	78.13	-	78.13	
Total Additions to Net Trust Assets	78.13	-	78.13	
Change in Net Trust Assets	\$ 78.13	\$ -	\$ 78.13	
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning		-		
Funding		450,000.00		
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending		\$ 450,078.13		