



February 1, 2023

On January 11, I shared the good news that the Fire Victim Trust would be increasing the *pro rata* percentage paid to fire survivors following multiple PG&E stock sales. Since then, I have heard and seen a number of questions raised about this new distribution of funds, the increase in *pro rata* payments from 45 to 60 percent, and the payments that will follow. I want to discuss further to ensure everyone understands what we have done and what to expect going forward.



Q: What is a *pro rata* payment? The Trust is a limited fund, meaning it has finite money. To guarantee fairness and equality in the distribution of those funds, bankruptcy rules require that everyone gets paid the same percentage amount of their claim irrespective of when the claim was determined and accepted or the dollar value of the claim. No matter whether yours is the first claim to receive a notice or the last one, or whether the claim is for \$100,000 or \$1 million, you will receive the same percentage payment as everyone else. This is what we mean when we refer to *pro rata* payments. When the Fire Victim Trust first started distributing funds, we made initial hardship Preliminary Payments and then followed those with *pro rata* payments made at 30% of an accepted award. We increased to 45% payments in February of 2022, and starting on January 31st, we began *pro rata* distributions at 60% of each Fire Victim's accepted award.

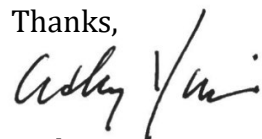
Q: How much money will be distributed in this latest *pro rata* increase and when will payments be made? The *pro rata* percentage increase from 45% to 60% means the Trust will distribute over \$2 billion in additional payments to fire survivors. Starting January 31, 2023, the Trust is paying all first-time *pro rata* payments at 60% of the accepted award amount. For those who received a 45% *pro rata* payment before January 31, the Trust will begin issuing true-up payments (an additional 15%, bringing those payments from 45% to 60%) on February 7, 2023.

Q: When are *pro rata* payments increased? Because the Trust's funding, approved by the Bankruptcy Court prior to the Trust's existence, was structured half with cash and half with stock, increasing the *pro rata* payment percentage is dependent on PG&E stock sales. Selling all of the Trust's shares in a single sale, as some have suggested, would not be prudent as it could depress the stock value. The FVT continues working with its financial advisors to monetize its shares in a responsible manner, taking into account price, market share and the needs of the fire survivors.

Q: Will there be future increases in *pro rata* payments? Yes. The timing of future *pro rata* increases depends on many variables, including stock market conditions, claims processing, and determination notice acceptances. At present, we don't know when the next stock sale will occur. We are working closely with our financial advisors to determine the appropriate timing to sell while continuing our internal focus on finalizing all claim determinations.

I hope this clarifies how the Trust determines the timing and amount of *pro rata* payment increases. As of February 1, 2023, we have issued determinations on 92% of claims, have distributed over \$6.25 billion to fire survivors, and will pay fire survivors another \$2 billion this month.

Thanks,

A handwritten signature in black ink, appearing to read "Cathy Gianni". The signature is written in a cursive style with a large, sweeping initial "C".

Cathy Gianni