

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of Homeland Security, Customs and Border Protection (collectively the “United States”) and Noble Brand Holdings, Ltd. (“Noble”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Noble is a company based in the People’s Republic of China engaged in the manufacture and sale of certain products to customers in the United States.

B. The United States contends that it has certain civil claims against Noble arising from the facts and conduct described in this paragraph, for which Noble admits, acknowledges, and accepts responsibility:

- (i) Between July 22, 2015 and October 6, 2020, Noble was the manufacturer of record for certain products sold to a company customer based in New Jersey (the “NJ Company”);
- (ii) In order to enter the products into the United States through U.S. Customs, Noble provided entry documents to a freight forwarder based in New York, and that freight forwarder provided the entry documents to a customs broker also based in New York;
- (iii) The entry documents contained invoices that misstated the value of the products sold to the NJ Company;
- (iv) The false invoices resulted in the undervaluation of these products upon entry into the United States which resulted in the loss of

revenue to the United States in the form of customs duties and other fees that should have been paid had the proper value been declared;

That conduct is referred to below as the Covered Conduct.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Noble shall pay to the United States five hundred thousand dollars (\$500,000) (“Settlement Amount”), of which two hundred thirteen thousand, one-hundred and fifteen dollars (\$213,115) is restitution, by electronic funds transfer pursuant to written instructions to be provided by United States Attorney’s Office for the District of New Jersey. Noble shall pay the Settlement Amount in installments according to the following terms and conditions:

- (A) Within 10 days of the Effective Date of this Agreement, Noble shall pay one hundred twenty-five thousand dollars (\$125,000);
- (B) Within 20 days of the Effective Date of this Agreement, Noble shall pay one hundred twenty-five thousand dollars (\$125,000);
- (C) Within 30 days of the Effective Date of this Agreement, Noble shall pay one hundred twenty-five thousand dollars (\$125,000);
and
- (D) Within 45 days of the Effective Date of this Agreement, Noble shall pay one hundred twenty-five thousand dollars (\$125,000).

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, the United States releases Noble from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;

4. Noble waives and shall not assert any defenses Noble may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the

Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Noble fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Noble has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Noble, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Noble's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Noble makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Noble, and Noble shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Noble shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Noble or any of its subsidiaries or affiliates from the United States. Noble agrees that the United States, at a minimum, shall be entitled to recoup from Noble any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Noble's books and records and to disagree with any calculations submitted by Noble or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Noble, or the effect of any such Unallowable Costs on the amount of such payments.

7. This Agreement is intended to be for the benefit of the Parties only.

8. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

9. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

11. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

12. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

14. This Agreement is binding on Noble's successors, transferees, heirs, and assigns.

15. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

16. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[remainder of page intentionally blank]

THE UNITED STATES OF AMERICA

Dated: 06/14/2022

By: DAVID SIMUNOVICH Digitally signed by DAVID
SIMUNOVICH
Date: 2022.06.14 09:40:29 -04'00'
DAVID V. SIMUNOVICH
Assistant United States Attorney
United States Attorney's Office
District of New Jersey

NOBLE BRAND HOLDINGS, LTD.

Dated: Jun 9, 2022 By: Zhang Dongguang
Zhang Dongguang
President
Noble Brand Holdings, Ltd.