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 Small Business Administration ("SBA") (collectively the "United States"), YAPP USA Automotive Systems, Inc. ("YAPP USA"), and GNGH2, Inc. ("GNGH2" or "relator") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. YAPP USA is a corporation organized under the law of the State of Tennessee with its principal place of business in Romulus, Michigan. YAPP USA supplies automotive fuel system solutions for various car and vehicle manufacturers, with plants in Romulus, Michigan; Gallatin, Tennessee; and Chattanooga, Tennessee. The State Development & Investment Corp., Ltd. ("SDIC"), is YAPP USA's ultimate parent company. SDIC is an entity owned and controlled by the People's Republic of China

B. On April 8, 2020, YAPP USA applied for a first-draw loan pursuant to the Paycheck Protection Program ("PPP") and subsequently received a first-draw loan in the amount of $9,598,462. The SBA paid $95,984.62 in processing fees to the PPP lender that originated YAPP USA's loan. The SBA later forgave YAPP USA's PPP loan and paid the lender the loan amount on behalf of YAPP USA, plus accrued interest in the amount of $104,516.59.

C. On April 29, 2022, relator filed a qui tam action in the United States District Court for the Southern District of New York captioned *United States ex rel. GNGH2 Inc. v. [Under Seal], et al.*, pursuant to the qui tam provisions of the False

Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action"). The Civil Action was subsequently transferred to the District Court for the Eastern District of Wisconsin. Relator filed an amended complaint on June 10, 2022.

D. The United States contends that it has certain civil claims against YAPP USA arising from its receipt of its first-draw PPP loan and the forgiveness of that loan. More specifically, the United States contends that, at the time YAPP USA applied for its first-draw PPP loan and at the time it received forgiveness of that loan, it represented it was eligible for the loan even though it was not eligible under the operative SBA rules for a PPP loan because it, singly and together with its affiliates, employed more individuals than permitted by SBA's size standard for its industry, in violation of 15 U.S.C. § 636(a)(36)(D)(i)(II). The United States also contends that YAPP USA was also not eligible under SBA regulations providing that Government-owned entities are ineligible for small business loans including PPP loans. 13 C.F.R. § 120.110(j). That conduct is referred to below as the Covered Conduct.

E. YAPP USA cooperated with the United States' investigation, including by identifying individuals involved in or responsible for the conduct and disclosing facts and documents gathered during YAPP USA's own investigation with attribution of the facts to specific sources. YAPP USA received credit under the Department of Justice's Guidelines for Taking Voluntary Disclosure, Cooperation and Remediation into Account in False Claims Act Matters, Justice Manual §4-4.112.

F. This Settlement Agreement is neither an admission of liability by YAPP USA nor a concession by the United States that its claims are not well founded.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement.

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. YAPP USA shall pay to the United States $14,208,496.65 (Settlement Amount) and interest on the settlement amount at a rate of 4% per annum from December 20, 2024 to the date of payment, of which $9,798,963.21 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Eastern District of Wisconsin no later than 30 days after the Effective Date of this Agreement.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay $1,420,849.67 to Relator by electronic funds transfer ("Relator's Share").

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases YAPP USA 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, as amended; or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 5 below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, Relator, for itself and its heirs, successors, attorneys, agents, and assigns, fully and finally releases, waives, and forever discharges YAPP USA from any civil monetary claim the Relator has asserted, could have asserted, or may assert in the future on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

5. Notwithstanding the releases given in Paragraph 3 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 the 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; and

f. Any liability of individuals.

6. Relator and its heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the Relator's Share, Relator and its heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. Relator, for itself and for its heirs, successors, attorneys, agents, and assigns, releases YAPP USA, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

8. YAPP USA waives and shall not assert any defenses YAPP USA 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.

9. YAPP USA 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 YAPP USA 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 or the United States' investigation or prosecution thereof.

10. YAPP USA fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that YAPP USA has asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct and the Relator's investigation and prosecution thereof.

11. 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 YAPP USA, 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) YAPP USA's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);

(4) the negotiation and performance of this Agreement;

(5) the payment YAPP USA makes to the United States pursuant to this Agreement and any payments that YAPP USA may make to Relator, including costs and attorneys fees,

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 YAPP USA, and YAPP USA 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, YAPP USA shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by YAPP USA or any of its subsidiaries or affiliates from the United States. YAPP USA agrees that the United States, at a minimum, shall be entitled to recoup from YAPP USA 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 YAPP USA's books and records and to disagree with any calculations submitted by YAPP USA or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by YAPP USA, or the effect of any such Unallowable Costs on the amount of such payments.

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

13. Upon receipt of the payment described in Paragraph 1, above, the Relator and the United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).

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

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

16. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of Wisconsin. 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.

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

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

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

20. This Agreement is binding on YAPP USA's successors, transferees, heirs, and assigns.

21. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

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

23. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Electronic signatures and facsimiles

of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 1/24/25 BY: Lindsey Roberts

Lindsey Roberts
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 1/24/25 BY: [signature]

Michael Carter
Assistant United States Attorney
Eastern District of Wisconsin

YAPP USA AUTOMOTIVE SYSTEMS, INC. - DEFENDANT

DATED: 06/02/2025 BY: ______________________

Yunxiang Guan

President of YAPP USA Automotive Systems,Inc.

DATED: 02-07-2025 BY: ______________________

Gerald J. Gleeson II

Counsel for YAPP USA Automotive Systems, Inc.

GNGH2, INC. - RELATOR

DATED: 1/24/2025 BY: ______________________________

David Abrams
GNGH2, Inc.
Relator