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 United States Customs and Border Protection ("Customs") (collectively the "United States"), Royal Canadian Steel Inc., Farjess Inc., and Feroz Jessani ("the Defendants"), and Shamsh Dhala ("Relator") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Royal Canadian Steel Inc. and Farjess Inc. are affiliated companies located in Brampton, Ontario, Canada, engaged in the business of buying and selling flat-rolled steel, including to customers based in the United States. When selling flat-rolled steel to customers in the United States, Farjess Inc. has served as the United States importer of record.

B. Feroz Jessani is a part owner and President of Royal Canadian Steel Inc. and Farjess Inc.

C. On August 16, 2023, Relator filed a qui tam action in the United States District Court for the Eastern District of Michigan captioned *United States ex rel. Dhala v. Royal Canadian Steel et al.* pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action"). The United States is intervening in the Civil Action for purposes of settlement.

D. The United States contends that it has certain civil claims against the Defendants arising from the following conduct: From May 1, 2019 through January 31, 2025, the Defendants knowingly misrepresented, or caused to be misrepresented, the country of origin of flat-rolled steel on entry documentation presented to Customs, thus avoiding duties lawfully owed to the United States. Specifically, the United States contends that:

1. Defendants misrepresented to Customs that the country of origin of certain flat-rolled steel was Canada or the United States, when in fact Defendants knew the true country of origin was the People's Republic of China, Italy, Indonesia, Turkey, or Vietnam, and

2. By misrepresenting the country of origin, the Defendants knowingly avoided paying duties assessed on flat-rolled steel under Section 232 of the Trade Expansion Act of 1962, Section 301 of the Trade Act of 1974, and Antidumping and Countervailing Duty Case Nos. A-570-026, A-475-832, C-570-027, and C-475-833.

That conduct is referred to below as the Covered Conduct.

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

F. Defendants deny the United States' allegations.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

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. The Defendants shall pay to the United States $19,000,000, plus interest (the "Settlement Amount") at a rate of 4.5% per annum from January 15, 2026, and continuing until and including the date of each payment, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice. The Defendants shall be jointly and severally liable for the Settlement Amount.

   a. Within 30 days of the effective date of this agreement, the Defendants will make a payment to the United States in the amount of $3,166,666.67.

   b. Over a period of five years, the Defendants will pay the remaining $15,833,333.33, plus interest due, in accordance with the Payment Schedule set forth in Exhibit A.

   c. If the Defendants or any of their affiliates are sold, merged, or transferred, or a significant portion of the assets of the Defendants or of any of their affiliates is sold, merged, or transferred into another non-affiliated entity, the Defendants shall promptly notify the United States, and all remaining payments owed pursuant to the Settlement Agreement shall be accelerated and become immediately due and payable.

   d. Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

2. Conditioned upon the United States receiving Settlement Amount payments as described in Paragraph 1, and as soon as feasible after receipt of each such payment, the United States shall pay to Relator 19% of each payment received by electronic funds transfer pursuant to instructions to be provided by Relator's counsel ("Relator's Share").

3. Relator's claims for attorneys' fees and costs pursuant to 31 U.S.C. §3730(d) is not released pursuant to or covered by this Agreement. This claim will either be the subject of a separate agreement between Relator and the Defendants or will be litigated in the event that Relator and Defendants are unable to reach an agreement.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below and subject to Paragraph 8 (concerning disclosure of assets), Paragraph 13 (concerning default), and Paragraph 14 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, the United States releases the Defendants 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; 19 U.S.C. § 1592 of the Tariff Act of 1930, as amended; the Administrative False Claims Act (formerly known as the Program Fraud Civil Remedies Act), 31 U.S.C. §§ 3801-3812; and the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below and subject to Paragraph 8 (concerning disclosure of assets), Paragraph 13 (concerning default), and Paragraph 14 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, and

Relator's receipt of expenses, costs, and attorneys' fees pursuant to 31 U.S.C. § 3730(d) (whether resolved by settlement or motion), Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, fully and unconditionally releases the Defendants, their heirs, successors, predecessors, current and former parents, current or former corporate owners, divisions, subsidiaries, affiliates, related entities, successors, assigns, officers, directors, agents, attorneys, employee benefit plans and fiduciaries, insurers and employees from any claims the Relator has, could have asserted, or may assert in the future for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Administrative False Claims Act (formerly known as the Program Fraud Civil Remedies Act), 31 U.S.C. §§ 3801-3812; any claim arising from or relating to the investigation, filing, defense, or litigation of the Civil Action; and any other claim, cause of action or right to recovery whatsoever the Relator has or could have asserted on behalf of the United States (except for Relator's claims under 31 U.S.C. Section 3730(d) for reasonable attorneys' fees, and costs).

6. Notwithstanding the releases given in Paragraph 4 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, other than Feroz Jessani for the conduct expressly released in Paragraph 4;

g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

h. Any liability for failure to deliver goods or services due;

i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;

7. Relator and his 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 his 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.

8. The Defendants have provided sworn financial disclosures and supporting documents ("Financial Disclosures") to the United States and the United States has relied

on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. The Defendants warrant that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement.

9. The Defendants waive and shall not assert any defenses the Defendants 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.

10. The Defendants fully and finally release 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 the Defendants have 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.

11. Defendants, for themselves and for their heirs, successors, predecessors, current and former parents, current or former corporate owners, divisions, subsidiaries, affiliates, related entities, successors, assigns, officers, directors, agents, attorneys, employee benefit plans and fiduciaries, insurers, and employees, fully, forever, and unconditionally release Relator, his heirs, successors, attorneys, agents, and assigns from any claims that the Defendants have, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Administrative False Claims Act (formerly known as the

Program Fraud Civil Remedies Act), 31 U.S.C. §§ 3801-3812; any claim arising from or relating to the investigation, filing, defense, or litigation of the Civil Action; and any other claim, cause of action or right to recovery whatsoever the Defendants have or could have asserted on behalf of the United States.

12. 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 the Defendants, and their 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) the Defendants' 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 the Defendants make to the United States pursuant to this Agreement and any payments that Defendants 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 the Defendants, and the Defendants 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, the Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by the Defendants or any of their subsidiaries or affiliates from the United States. the Defendants agree that the United States, at a minimum, shall be entitled to recoup from the Defendants 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 the Defendants' books and records and to disagree with any calculations submitted by the Defendants or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by the Defendants, or the effect of any such Unallowable Costs on the amount of such payments.

13. The United States is willing to accept payments over time due solely to Defendants' financial condition as reflected in the Financial Disclosures referenced in Paragraph 8.

a. In the event that the Defendants fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, the Defendants shall be in Default of the Defendants' payment obligations ("Default"). The United States will provide a written Notice of Default, and the Defendants shall have an opportunity to cure such Default within fourteen (14) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to Leigh D. Roadman, or to such other representative as the Defendants shall designate in advance in writing. If the Defendants fail to cure the Default within fourteen (14) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, the Defendants agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against the Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 3 above, with any recovery reduced by the amount of any payments previously made by the Defendants to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to the Defendants and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, the Defendants agrees immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, the Defendants waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against the Defendants within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on May 21, 2026. The Defendants agree not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

14. In exchange for valuable consideration provided in this Agreement, the Defendants and Relator acknowledge the following:

a. The Defendants have reviewed their financial situation and warrant that they are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to the Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which the Defendants were or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If any of the Defendants' payments or obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, the Defendants or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of the Defendants' debts, or to adjudicate the Defendants as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for the Defendants or for all or any substantial part of the Defendants' assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against the Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 3 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against the Defendants in the amount of $28,500,000, less any payments received pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by a receiver, trustee, creditor, custodian, or similar official;

(iii) if any payments are avoided and recovered by a receiver, trustee, creditor, custodian, or similar official, the United States shall not be responsible for the return of any amounts already paid by the United States to the Relator; and (iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the Relator pursuant to Paragraph 2 are recovered from the United States in an action or proceeding filed by a receiver, trustee, creditor, custodian, or similar official in or in connection with a bankruptcy case that is filed within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of this Agreement, Relator shall, within thirty days of written notice from the United States to the undersigned Relator's counsel, return to the United States all amounts recovered from the United States.

f. The Defendants agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 14.e is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. The Defendants shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). The Defendants waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to the Defendants that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on May 21, 2026.

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

16. Upon receipt of the initial payment described in Paragraph 1(a) above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1) as follows: (a) the Stipulation of Dismissal shall be with prejudice as to the United States' claims against the Defendants as to the Covered Conduct; (b) the Stipulation of Dismissal shall be without prejudice as to the United States as to all other claims against the Defendants; (c) the Stipulation of Dismissal shall be with prejudice as to Relator as to all claims against the Defendants, with the exception of Relator's claim for reasonable attorneys' fees, expenses and costs pursuant to 31 U.S.C. § 3730(d), which Relator expressly reserves and which shall not be dismissed.

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

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

19. This Agreement is governed by the laws of the United States. The jurisdiction and venue for any dispute relating to the meaning of this Agreement is the United States District Court for the Eastern District of Michigan; provided, however, that

all Parties agree that this Agreement and any judgment entered in this action may also be enforced in the Ontario Superior Court of Justice. 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.

20. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

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

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

23. This Agreement is binding on the Defendants' successors, transferees, heirs, and assigns.

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

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

26. 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.

THE UNITED STATES OF AMERICA

DATED: 5/18/2026 BY: ______________________
James Nealon
Trial Attorney
Commercial Litigation Branch
Civil Division, United States Department of Justice

DATED: 5/18/2026 BY: ______________________
John Postulka
Assistant United States Attorney
Eastern District of Michigan

DATED: ______________ BY: PATRICIA MCCARTHY Digitally signed by PATRICIA MCCARTHY Date: 2026.05.14 09:36:29 -04'00'
Patricia M. McCarthy
Director
Commercial Litigation Branch
Civil Division, United States Department of Justice

DEFENDANTS

DATED: May 14/26 BY: ______________________
Feroz Jessani
Royal Canadian Steel Inc.

DATED: May 14/26 BY: ______________________
Feroz Jessani
Farjess Inc.

DATED: May 14/26 BY: ______________________
Feroz Jessani

DATED: 5/14/26 BY: ______________________
Leigh D. Roadman
Counsel for Royal Canadian Steel Inc., Farjess Inc., and
Feroz Jessani

RELATOR

DATED: 14|5|26 BY: ______________________________
Shamsh Dhala

DATED: __________ BY: ______________________________
Stephen S. Hasegawa
Counsel for Shamsh Dhala

RELATOR

DATED: __________BY: ____________________________
Shamsh Dhala

DATED: 5/15/26 BY: ____________________________
Stephen S. Hasegawa
Counsel for Shamsh Dhala

Exhibit A

No.	Date	Payment (U.S. Dollars)	Interest (4.5%) from 1/15/2026	Principal	Balance
					$ 19,000,000.00
Upfront	6/21/2026	$ 3,534,433.79	$ 367,767.12	$ 3,166,666.67	$ 15,833,333.33
1	5/21/2027	$ 3,818,652.97	$ 651,986.30	$ 3,166,666.67	$ 12,666,666.66
2	5/20/2028	$ 3,736,666.67	$ 570,000.00	$ 3,166,666.67	$ 9,499,999.99
3	5/20/2029	$ 3,594,166.67	$ 427,500.00	$ 3,166,666.67	$ 6,333,333.32
4	5/20/2030	$ 3,451,666.67	$ 285,000.00	$ 3,166,666.67	$ 3,166,666.65
5	5/20/2031	$ 3,309,166.65	$ 142,500.00	$ 3,166,666.65	
	TOTAL	$ 21,444,753.42	$ 2,444,753.42	$ 19,000,000.00	