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 Small Business Administration (collectively the "United States"), Aquatherm, L.P., and Verity Investigations, LLC (all hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Aquatherm, L.P. ("Aquatherm") is a Delaware limited partnership with its principal place of business in Lindon, Utah. Aquatherm manufactures polypropylene piping systems for pressurized mechanical and plumbing systems.

B. In early 2020, as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), Congress created the Paycheck Protection Program ("PPP"), a loan program that was administered by the United States Small Business Administration ("SBA"). In early 2021, SBA authorized a second series of PPP loans, generally referred to as "Second Draw" PPP loans.

C. On or about September 29, 2025, Verity Investigations, LLC ("Relator") filed a *qui tam* action in the United States District Court for the District of Delaware captioned *United States ex rel. Verity Investigations, LLC* *v. Aquatherm, L.P.*, Civil Action No. 25-1205-CFC, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action").

D. The United States contends that it has certain civil claims against Aquatherm arising from Aquatherm's application for a Second Draw PPP loan (the "Second Draw Loan") on or about March 27, 2021, and SBA's forgiveness of that loan on or about July 12, 2022. That conduct is referred to below as the Covered Conduct.

E. Specifically, the United States contends that, on its application for the Second Draw Loan and its forgiveness application for the Second Draw Loan, Aquatherm falsely certified that it, together with its domestic and foreign affiliates, had fewer than 300 employees, which was a requirement to be eligible for the loan and for forgiveness of the loan

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

G. Aquatherm admits the undisputed facts set forth in the attached Statement of Facts.

H. 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. Aquatherm shall pay to the United States one million three hundred fifty-one thousand, five hundred seventy-five dollars and eighty-four cents ($1,351,575.84) (the "Settlement Amount"), of which $901,050.56 is restitution, by electronic funds transfer, pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Delaware, no later than 30 days after the Effective Date of this Agreement.

2. Conditioned upon the United States receiving the Settlement Amount from Aquatherm and as soon as feasible after receipt, the United States shall pay $135,157.58 to Relator by electronic funds transfer ("Relator's Share").

3. No later than 30 days after the Effective Date of this Agreement, Aquatherm will pay to Relator four thousand, five hundred twelve dollars and fifty cents ($4,512.50) for expenses, attorneys' fees, and costs pursuant to 31 U.S.C. § 3730(d). Aquatherm and Relator agree that this amount represents reasonable expenses, attorney's fees, and costs for the Civil Action

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Aquatherm 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.

5. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, Relator, for itself and for its members, successors, attorneys, agents, and assigns, releases Aquatherm from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729–3733.

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.

7. Relator and its members, 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 members, 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. Relator, for itself, and for its members, successors, attorneys, agents, and assigns, releases Aquatherm, 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.

9. Aquatherm waives and shall not assert any defenses it 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. Aquatherm 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 it 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.

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

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 Aquatherm, and its present or former partners, officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Agreement;

(2) the United States' civil investigation of the matters covered by this Agreement;

(3) Aquatherm's investigation, defense, and corrective actions undertaken in response to the United States' 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 Aquatherm makes to the United States pursuant to this Agreement and any payments that it 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 Aquatherm, and Aquatherm 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, Aquatherm shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Aquatherm or any of its subsidiaries or affiliates from the United States. Aquatherm agrees that the United States, at a minimum, shall be entitled to recoup from Aquatherm 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 Aquatherm's books and records and to disagree with any calculations submitted by Aquatherm or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Aquatherm, or the effect of any such Unallowable Costs on the amount of such payments.

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

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

15. Except as provided in Paragraph 3, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

17. 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 Delaware. 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.

18. 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.

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

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

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

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

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

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

THE UNITED STATES OF AMERICA

DATED: 6/10/2026 BY: ______________________
Dylan J. Steinberg
Civil Chief
Assistant United States Attorney
District of Delaware

AQUATHERM, L.P.

DATED: 9-JUN-2026 BY: James Paschal
James Paschal
CEO / President

DATED: 6/9/2026 BY: Rodney Wilkinson
Rodney Wilkinson
Counsel for Aquatherm, L.P.

VERITY INVESTIGATIONS, LLC

DATED: ______________ BY: ______________________
Gregory Lynam
Member, Verity Investigations, LLC

DATED: ______________ BY: ______________________
Steven Shepard
Counsel for Verity Investigations, LLC

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

<u>THE UNITED STATES OF AMERICA</u>

DATED: ________________ BY: ______________________________
Dylan J. Steinberg
Civil Chief
Assistant United States Attorney
District of Delaware

<u>AQUATHERM, L.P.</u>

DATED: ________________ BY: ______________________________
James Paschal
CEO / President

DATED: ________________ BY: ______________________________
Rodney Wilkinson
Counsel for Aquatherm, L.P.

<u>VERITY INVESTIGATIONS, LLC</u>

DATED: 6/9/2026 BY: ______________________________
Gregory Lynam
Member, Verity Investigations, LLC

DATED: June 8, 2026 BY: ______________________________
Steven Shepard
Counsel for Verity Investigations, LLC

STATEMENT OF FACTS

1. Aquatherm, L.P. ("Aquatherm") is a Delaware limited partnership with its principal place of business in Lindon, Utah. Aquatherm is 99% owned by Aquatherm Besitzgesellschaft mbH & Co. KG, a German company.

2. In early 2020, as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), Congress created the Paycheck Protection Program ("PPP"), a loan program that was administered by the United States Small Business Administration ("SBA").

3. In early 2021, SBA authorized a second series of PPP loans, generally referred to as "Second Draw" PPP loans. To be eligible for a Second Draw loan, applicants were required to certify that they, together with any of their domestic and foreign affiliates, had fewer than 300 employees.

4. Aquatherm applied for and obtained a Second Draw PPP loan in the amount of $864,982. On the Second Draw loan application, Aquatherm certified that it, together with its affiliates, had fewer than 300 employees. Aquatherm subsequently applied for (and ultimately received) forgiveness of the Second Draw loan.

5. At all relevant times, Aquatherm, together with its affiliates, had more than 300 employees.