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 Office of Inspector General ("OIG-HHS") of the Department of Health and Human Services ("HHS"), and the Office of Inspector General ("OIG-USPS") of the United States Postal Service ("USPS") (collectively, the "United States"), Tactile Systems Technology, Inc. ("Tactile"), Benjamin Scarborough, Jackie Gorham, and Dustin Gast (hereafter collectively referred to as the "Parties"), through their authorized representatives.

RECITALS

A. Tactile is a Delaware corporation headquartered in Minneapolis, Minnesota that markets at-home pneumatic compression devices used to treat patients' chronic swelling caused by lymphedema and chronic venous insufficiency.

B. On May 17, 2021, Benjamin Scarborough filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States ex rel. Scarborough v. Tactile Systems Technology, Inc.*, No. 21-cv-10813-IT, and on September 1, 2021, Jackie Gorham and Dustin Gast filed a qui tam action in the United States District Court for the District of Minnesota captioned *United States ex rel. Gorham and Gast v. Tactile Systems Technology, Inc.*, No. 21-sc-1963, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (collectively, the "Civil Actions"). On November 3, 2021, the United States District Court in the District of Minnesota transferred *United States ex rel. Gorham and Gast v. Tactile Systems Technology, Inc.*, No. 21-sc-01963, to the United States District Court for the District of Massachusetts, and that matter was assigned docket No. 21-cv-11809, in the District Court for the District of Massachusetts. For purposes of this Agreement, Benjamin Scarborough, Jackie Gorham, and Dustin Gast will be collectively referred to as the Relators.

C. The United States contends that Tactile submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll ("Medicare").

D. The United States contends that it has certain civil claims against Tactile arising from Tactile's submissions of false claims to Medicare seeking reimbursement for medically unnecessary pneumatic compression devices during the period from January 1, 2019 through December 31, 2024 ("Relevant Period").

E. Tactile admits, acknowledges, and accepts responsibility for the following facts:

1. Physicians prescribe pneumatic compression devices for patients suffering from lymphedema and chronic venous insufficiency. Lymphedema is a chronic condition that causes patients to suffer from swelling, discomfort, and skin changes, in the arms, legs, or torso, due to a buildup of lymph fluid. Chronic venous insufficiency occurs when a patient's leg veins struggle to send blood back to the heart, causing blood to pool, and pressure to increase. Pneumatic compression devices are designed to apply rhythmic, sequential pressure to body parts to enhance blood flow, lymphatic flow, reduce swelling, and prevent venous thromboembolism.

2. During the Relevant Period, Tactile marketed two types of at-home pneumatic compression devices, the Entre and the Flexitouch.

3. The Entre is a basic pneumatic compression device that uses a sequential inflation process to direct lymph fluid and blood away from extremities, i.e. limbs, and toward the torso.

4. The more expensive Flexitouch is an advanced pneumatic compression device designed to mimic manual lymphatic drainage that therapists perform in clinical settings to treat chronic swelling experienced in the torso, head/neck, and extremities of a patient.

5. Tactile sales personnel marketed the Entre and Flexitouch to vascular surgeons, cardiologists, certified lymphedema therapists, and other healthcare professionals (collectively, "HCPs") who treated patients with lymphedema and chronic venous insufficiency.

6. Medicare covers pneumatic compression devices when HCPs perform conservative modes of therapy, including basic compression (i.e. use of bandaging), for at least 4 weeks before billing Medicare for prescribing pneumatic compression devices to treat lymphedema and chronic venous insufficiency symptoms. HCPs are required to explain why basic compression was inadequate to treat the patient.

7. During the Relevant Period, certain Tactile sales personnel fabricated and/or amended HCPs' medical records and other clinical documentation that Tactile required the sales personnel to collect and retain to support claims for payment for Tactile devices. These Tactile sales personnel inserted false statements about a patients' failure to experience relief through basic compression therapy and/or forged the signature of HCPs on doctored medical records and other clinical documentation to make it appear as though the HCPs had prescribed the Entre and/or Flexitouch.

8. In addition, during the Relevant Period, certain Tactile sales personnel fabricated and/or amended HCPs' medical records and other clinical documentation to falsely state that patients did not experience a sufficient reduction in swelling using the Entre and benefited more from a trial of the more expensive Flexitouch.

9. During the Relevant Period, Tactile submitted claims to Medicare seeking reimbursement for medically unnecessary Entre and Flexitouch devices.

10. At various times during the Relevant Period, Tactile's Compliance Department investigated sales personnel behavior and learned that certain sales personnel had fabricated and/or amended HCPs' medical records in the manner described above in paragraphs 7 and 8.

Tactile punished and/or terminated these sales personnel, and voluntarily repaid Medicare for certain claims Tactile deemed to be for medically unnecessary Entre and Flexitouch devices.

11. The conduct described in Paragraph E is referred to below as the "Covered Conduct."

F. Tactile received credit under the United States Department of Justice's guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justice Manual § 4-4.112. The cooperation Tactile provided included assisting and facilitating the United States' damages analysis and accepting responsibility for the misconduct.

G. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relators' reasonable expenses, attorneys' fees, and costs. Tactile reserves the right to contest Relators' reasonable expenses, attorneys' fees, and costs incurred in connection with any claims as well as to challenge any of Relators' claims for expenses, attorneys' fees and costs on any and all grounds, including but not limited to reasonableness and/or any other basis on which claims may be challenged under 31 U.S.C. § 3730(d).

In consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Tactile shall pay to the United States $550,959 ("Settlement Amount") plus interest on the Settlement Amount at a rate of 4.375% per annum from April 14, 2026, of which $275,479.50 is restitution. Payment of the Settlement Amount plus interest shall be made no later than 14 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of Massachusetts.

2. Conditioned upon the United States receiving the Settlement Amount plus interest and as soon as feasible after receipt, the United States shall pay $129,475.37 plus interest to Relator Benjamin Scarborough by electronic funds transfer ("Relators' Share"), to be divided in accordance with a separate agreement entered into between the Relators.

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 Tactile together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them 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 Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; 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, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Tactile together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them from any civil monetary claim the Relators have on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; provided, however, that Relators do not release their claim, pursuant to 31 U.S.C. § 3730(d), to reasonable expenses and attorneys' fees and costs from Tactile.

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 this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;

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;

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; and

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

6. Relators and their 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 Relators' receipt of the Relators' Share, Relators and their 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. Upon the United States' receipt of the Settlement Amount plus interest, Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release Tactile, and its officers, agents, and employees, from any liability to Relators arising from the filing of the Civil Actions, except that Relators do not release their claim under 31 U.S.C. § 3730(d) to expenses and attorneys' fees and costs from Tactile.

8. Tactile waives and shall not assert any defenses Tactile 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. Tactile 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 Tactile 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. Tactile fully and finally releases the Relators from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Tactile has asserted, could have asserted, or may assert in the future against the Relators, related to the Civil Actions and the Relators' investigation and prosecution thereof.

11. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare

Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and Tactile agrees not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

12. Tactile agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Tactile, 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) Tactile'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; and

(5) the payment Tactile makes to the United States pursuant to this Agreement and any payments that Tactile may make to Relators, including costs and attorneys' fees

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Tactile, and Tactile shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Tactile or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Tactile further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Tactile or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Tactile agrees that the United States, at a minimum, shall be entitled to recoup from Tactile any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Tactile or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Tactile or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Tactile's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

13. Tactile agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Tactile shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Tactile further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

14. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 15 (waiver for beneficiaries paragraph), below.

15. Tactile agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

16. Upon receipt of the payment described in Paragraph 1 above, the Parties shall promptly sign and file in the Civil Actions a Joint Stipulation of Dismissal of the Civil Actions pursuant to Rule 41(a)(1).

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 in to this Agreement without any degree of duress or compulsion.

19. 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 District of Massachusetts. 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.

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 Tactile's successors, transferees, heirs, and assigns.

24. This Agreement is binding on Relators' 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 and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 7/14/2026 BY: ______________________

STEVEN T. SHAROBEM
ABRAHAM R. GEORGE
Assistant United States Attorneys
District of Massachusetts

TAMARA FORYS Digitally signed by TAMARA FORYS Date: 2026.06.25 11:50:08 -04'00'

DATED: __________ BY: ______________________

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DEFENDANT - TACTILE SYSTEMS TECHNOLOGY, INC.

DATED: __________ BY: ______________________

[X]

DATED: __________ BY: ______________________

DAVID GLASER
Counsel for Tactile Systems Technology, Inc.

THE UNITED STATES OF AMERICA

DATED: __________ BY: ____________________________

STEVEN T. SHAROBEM
ABRAHAM R. GEORGE
Assistant United States Attorneys
District of Massachusetts

DATED: __________ BY: ____________________________

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DEFENDANT - TACTILE SYSTEMS TECHNOLOGY, INC.

DATED: 7/7/2026 BY: Sheri Dodd CEO

[X]

DATED: 7/2/2026 BY: David M. Glaser

DAVID GLASER
Counsel for Tactile Systems Technology, Inc.

BENJAMIN SCARBOROUGH - RELATOR

DATED: 7/2/26 BY: ______________________
BENJAMIN SCARBOROUGH

DATED: July 4, 2026 BY: Gregg Shapiro
GREGG SHAPIRO
Counsel for Benjamin Scarborough

JACKIE GORHAM - RELATOR

DATED: _________ BY: ______________________
JACKIE GORHAM

DATED: _________ BY: ______________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Jackie Gorham

DUSTIN GAST - RELATOR

DATED: _________ BY: ______________________
DUSTIN GAST

DATED: _________ BY: ______________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Dustin Gast

BENJAMIN SCARBOROUGH - RELATOR

DATED: __________ BY: ______________________________
BENJAMIN SCARBOROUGH

DATED: __________ BY: ______________________________
GREGG SHAPIRO
Counsel for Benjamin Scarborough

JACKIE GORHAM - RELATOR

DATED: 07.14.2026 BY: Jackie Gorham
JACKIE GORHAM

DATED: __________ BY: ______________________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Jackie Gorham

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GREGG SHAPIRO
Counsel for Benjamin Scarborough

JACKIE GORHAM - RELATOR

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DATED: __________ BY: ______________________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Jackie Gorham

DUSTIN GAST - RELATOR

DATED: 7/13/2026 BY: ______________________________
DUSTIN GAST

DATED: __________ BY: ______________________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Dustin Gast

BENJAMIN SCARBOROUGH - RELATOR

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BENJAMIN SCARBOROUGH

DATED: __________ BY: ______________________________
GREGG SHAPIRO
Counsel for Benjamin Scarborough

JACKIE GORHAM - RELATOR

DATED: __________ BY: ______________________________
JACKIE GORHAM

DATED: July 14, 2026 BY: ______________________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Jackie Gorham

DUSTIN GAST - RELATOR

DATED: __________ BY: ______________________________
DUSTIN GAST

DATED: July 14, 2026 BY: ______________________________
COURT J. ANDERSON
DAVID BRADLEY OLSEN
RORY DELANEY
Counsel for Dustin Gast