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"), China Jushi USA Corp. ("China Jushi USA") ("Defendant"); and Aidan Forsyth ("Relator") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. China Jushi USA is a South Carolina corporation with a place of business at 2971 Shop Road, Columbia, South Carolina. China Jushi USA is a subsidiary of China Jushi Corp., a Chinese company that manufactures and sells fiberglass products.

B. On October 21, 2024, Aidan Forsyth filed a *qui tam* action in the United States District Court for the District of New Jersey captioned *U.S. ex rel. Aidan Forsyth v. China Jushi USA Corp.,* 24-cv-09959, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action").

C. During the period of July 27, 2020 to June 21, 2021 ("Relevant Time Period") China Jushi USA applied for and received the following PPP loan and loan forgiveness, which was associated with the following lender processing fees paid for by the United States:

Defendant	**Year**	**Loan Amount**	**Loan Amount Forgiven, Including Interest**	**Lender Processing Fee**
China Jushi USA	2021	$3,558,182	$3,590,007	$35,581

D. The United States contends that it has certain civil claims against China Jushi USA arising from its knowing submission of a false first-draw PPP loan application to the United States during the Relevant Time Period. Specifically, the United States contends that China Jushi USA falsely certified eligibility to receive a first-draw PPP loan and loan forgiveness totaling $3,590,007 (including interest). The United States contends that China Jushi USA knowingly made false statements, or caused false statements to be made, when it certified in its PPP loan application that it was eligible for a PPP loan. At the time of its loan application, the United States contends that China Jushi USA was not eligible to participate in the PPP because, inclusive of affiliates' employees, China Jushi USA exceeded applicable size standards. In addition, because of China Jushi USA's false statements on its loan application, the United States paid $35,581 in lender processing fees associated with the first-draw loan for which China Jushi USA was ineligible. That conduct is referred to below as the Covered Conduct.

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

F. China Jushi USA denies the United States' allegations in paragraph D.

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:

<u>TERMS AND CONDITIONS</u>

1. China Jushi USA shall pay to the United States $5,075,823 ("Settlement Amount"), of which $3,625,588 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 New Jersey no later than 10 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 $507,582 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, the United States releases China Jushi USA 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 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.

4. Subject to the exceptions in Paragraph 5 below, and upon the United States' receipt of the Settlement Amount, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases China Jushi USA and its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, and directors from any and all claims, actions, causes of action, rights, damages, costs or other expenses and compensation of any nature whatsoever under any theory of recovery,

including but not limited to 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. Relator further represents and warrants that neither Relator, nor anyone on its behalf or associated in any way with Relator, has filed any claims, complaints, or charges other than the Civil Action against the Defendant or its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, or directors with any local, state, or federal court or agency. Relator additionally represents and warrants that neither Relator, nor anyone acting on its behalf or associated in any way with Relator, has assigned or transferred to any person or entity any claims or any part or portion thereof. Relator agrees that neither Relator, nor anyone acting on its behalf or associated in any way with Relator, will hereafter pursue any claim against Defendant or its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, or directors by filing a lawsuit in any local, state, or federal court arising in whole or in part from the Covered Conduct or any other matter alleged in the Civil Action.

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;

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;

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

6. 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.

7. Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, releases China Jushi 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. China Jushi USA waives and shall not assert any defenses China Jushi

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. China Jushi 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 China Jushi 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. China Jushi USA fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that China Jushi 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. No later than 10 days after the Effective Date of this Agreement, China Jushi USA shall pay to Relator's Counsel the sum of $8,817.75 by electronic funds transfer pursuant to written instructions to be provided by Relator's Counsel ("Attorneys' Fee Payment"). Payment of the Attorneys' Fee Payment resolves any and all claims Relator, and his heirs, successors, attorneys, agents, and assigns, has or may have against Defendant, and its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, and directors, 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.

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 China Jushi 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) China Jushi 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 China Jushi USA makes to the United States pursuant to this Agreement and any payments that China Jushi 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 China Jushi USA, and China Jushi 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, China Jushi USA shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by China Jushi USA or any of its subsidiaries or affiliates from the United States. China Jushi USA agrees that the United States, at a minimum, shall be entitled to recoup from China Jushi 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 China Jushi USA's books and records and to disagree with any calculations submitted by China Jushi USA or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by China Jushi USA, 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, 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). The United States will move to dismiss its claims against China Jushi USA with prejudice as to the Covered Conduct. Relator will move to dismiss his claims in their entirety, with prejudice.

15. 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 jurisdiction and 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.

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

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 China Jushi USA'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. Neither Relator, nor anyone acting on its behalf or associated in any way with Relator, shall make any oral or written statement relating in any way to the Civil Action or the settlement of the Civil Action in news media or any method of dissemination, including without limitation print media, television, radio, social media, and the internet.

25. 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: 06/23/2026 BY: Susan J. Pappy

Susan J. Pappy
Assistant United States Attorney
District of New Jersey

China Jushi USA, Corp. - DEFENDANT

DATED: 06-18-2026 BY: ZHEN Guoyong

Guoyong Zhen
China Jushi USA Corp.

DATED: 6/23/2026 BY: John J. Pease III

John J. Pease III, Esq.
Steven Strauss, Esq.
Morgan, Lewis & Bockius LLP
Counsel for China Jushi USA Corp.

Aidan Forsyth - RELATOR

DATED: 6/23/2026 BY: ______________________
Aidan Forsyth

DATED: 6·23·26 BY: ______________________
Eric Jaso
Spiro Harrison & Nelson LLP
Counsel for Aidan Forsyth