

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is entered into between and 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”), Defendant Welded Tube, USA, Inc. (“Welded Tube”), and Relator Proferre LLC (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Welded Tube is a steel pipe and tube producer that owns and operates manufacturing and finishing facilities. Welded Tube USA, Inc. has its headquarters in Lackawanna, New York. Welded Tube USA, Inc. is a subsidiary of Welded Tube of Canada Corporation.

B. On or about February 17, 2026, Relator filed a *qui tam* action in the United States District Court for the Western District of New York captioned *United States ex rel. Proferre LLC v. Welded Tube, USA, Inc.*, No. 26-cv-293, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). The United States represents that it intervened in the Civil Action on September 11, 2026.

C. The United States contends that it has certain civil claims against Welded Tube arising from Welded Tube’s receipt of a second-draw loan through the Paycheck Protection Program (PPP), administered by the United States Small Business Administration (SBA), which was forgiven in the amount of \$1,027,682.28 on or about September 19, 2022 (PPP Loan # 4757618704). Specifically, the United States contends that Welded Tube was not eligible to receive the PPP loan and forgiveness of the PPP

loan because, as an affiliate of Welded Tube of Canada Corporation, Welded Tube, together with its affiliates, had more than 300 employees, which exceeded the limitations for eligibility for second round PPP loans. As a result, the United States contends that Welded Tube caused false claims to be submitted to the United States. That conduct is referred to below as the “Covered Conduct.”

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

E. 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. Welded Tube shall pay to the United States damages in the amount of one million five hundred thousand dollars (\$1,500,000) (the “Settlement Amount”), by electronic funds transfer pursuant to written instructions to be provided to Welded Tube by the United States Attorney’s Office for the Western District of New York with its executed counterpart of this Agreement. If the Settlement Amount is not paid to the United States within 30 days after the Effective Date of this Agreement, and provided that written instructions for the electronic funds transfer were also timely provided to Welded Tube as provided in this paragraph, Welded Tube shall also pay interest to the United States on

the Settlement Amount at a rate of four percent (4%) per annum, which shall accrue and commence as of the date that is 30 days after the Effective Date of this Agreement.

2. Conditioned upon the United States receiving the Settlement Amount from Welded Tube and as soon as feasible after receipt, the United States shall pay one hundred fifty thousand dollars (\$150,000) to Relator by electronic funds transfer (Relator's Share).

3. No later than 30 days after the Effective Date of this Agreement, Defendants shall pay \$5,446.79 to Relator for expenses, attorneys' fees, and costs, pursuant to written instructions for electronic wire transfer to be provided by Relator's counsel with its executed counterpart of this Agreement.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, and any interest that may have become due under Paragraph 1, the United States releases Welded Tube together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, affiliates, current or former owners; and any successors and assigns of any of them (collectively, the "Welded Tube Releasees"), 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 or similar statutory or common law claims related to the Covered Conduct.

5. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, plus any interest

that may have become due under Paragraph 1, Relator, for itself and for its members, owners, heirs, successors, attorneys, agents, and assigns, releases the Welded Tube Releasees and any of their current or former owners, officers, employees, agents, and representatives 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, owners, 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 members, owners, 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 related to the Civil Action, 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, owners, heirs, successors, attorneys, agents, and assigns (collectively the “Relator Releasers”), releases the Welded Tube Releasees, and any of their current or former owners, officers, agents, employees, attorneys, assigns, parents, affiliates, and representatives from any and all claims, matters, liabilities, remedies, issues, and causes of action, whether known or unknown, liquidated or unliquidated, that Relator or the Relator Releasers have asserted, could have asserted, or may assert in the future, that arise out of or relate to any of the following: the Civil Action; the filing and allegations of the Civil Action; Relator’s investigation and prosecution of the Civil Action; claims or rights for recovery under 31 U.S.C. § 3730(d); expenses, attorneys’ fees, and costs of every kind and however denominated; the Covered Conduct; or any and all other claims, matters, causes of action, liabilities, remedies, and issues whatsoever pertaining to the Paycheck Protection Program.

9. Welded Tube fully and finally releases Relator and Relator Releasers from any claims, matters, liabilities, remedies, issues, and causes of action (including attorneys’ fees, costs, and expenses of every kind and however denominated), whether known or unknown, liquidated or unliquidated, that Welded Tube has asserted, could have asserted, or may assert in the future against Relator, related to the Covered Conduct and Relator’s investigation and prosecution thereof, and any and all other matters, claims, liabilities, issues, remedies, and causes of action whatsoever pertaining to the Paycheck Protection Program.

10. Welded Tube waives and shall not assert any defenses Welded Tube 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.

11. Welded Tube 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 Welded Tube 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.

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 Welded Tube, 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) Welded Tube'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 Welded Tube makes to the United States pursuant to this Agreement and any payments that Welded Tube 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 Welded Tube, and Welded Tube 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, Welded Tube shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Welded Tube or any of its subsidiaries or affiliates from the United States. Welded Tube agrees that the United States, at a minimum, shall be entitled to recoup from Welded Tube 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 Welded Tube's books and records and to disagree with any calculations submitted by Welded Tube or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Welded Tube, 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 Relator and United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal with Prejudice 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 Western District of New York. 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 Welded Tube's successors, transferees, heirs, and assigns.

22. This Agreement is binding on Relator and Relator's members, owners, 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.

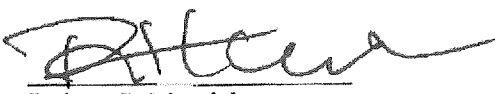
24. This Agreement is effective on the date of signature of the last signatory to the Agreement (the "Effective Date of this Agreement"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

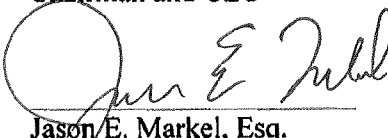
[Signatures on following page]

THE UNITED STATES OF AMERICA

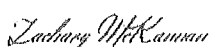
DATED: 9/15/26 BY: 
Jonathan W. Ferris
Assistant United States Attorney
Western District of New York

WELDED TUBE, USA, INC.

DATED: SEP 14, 2026 BY: 
Robert S. Mandel
Chairman and CEO

DATED: September 15, 2026 BY: 
Jason E. Markel, Esq.
Hodgson Russ LLP
Counsel for Welded Tube, USA, Inc.

RELATOR PROFERRE LLC

DATED: Sep 14, 2026 BY: 
Zachary McKannan
Managing Member
Proferre LLC

DATED: Sep 14, 2026 BY: 
Jason Marcus
Bracker & Marcus LLC
Counsel for Proferre LLC