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 Small Business Administration ("SBA") (collectively the "United States"); United Abrasives, Inc. ("United Abrasives"); and Daniel Foster ("Relator") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. United Abrasives is a company that manufactures industrial-grade abrasives and accessories. It has its principal place of business in North Windham, Connecticut. United Abrasives is a subsidiary of SAIT Finanziaria S.p.A., a company headquartered in Italy.

B. On October 14, 2025, Relator filed a *qui tam* action in the United States District Court for the District of Connecticut captioned *United States ex rel. Daniel Foster v. United Abrasives, Inc.*, 3:25-cv-1732 (VDO), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). Relator alleged that United Abrasives unlawfully applied for and received a loan under the Paycheck Protection Program ("PPP") and made false certifications in connection with the application for the loan.

C. The United States contends that it has certain civil claims against United Abrasives arising from its application for and receipt of a PPP loan, and the subsequent forgiveness of that loan. Specifically, the United States alleges the following:

a. In March 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which was designed to provide emergency financial assistance to Americans suffering economic effects of the COVID-19 pandemic. The CARES ACT amended Section 7(a) of the Small Business Act, 15 U.S.C. § 631-657u, and authorized forgivable loans to eligible small businesses for job retention and other expenses through the PPP.

b. In December 2020, Congress enacted the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, P.L. 116-260 ("Economic Aid Act") as a continuation of the federal government's efforts to provide relief to individuals and businesses suffering economic and public health effects of the pandemic. The Economic Aid Act created a second-draw PPP loan that allowed eligible businesses to apply for a second PPP loan.

c. One of the eligibility requirements for receiving a second-draw PPP loan was that the entity could have no more than 300 employees, with certain limited exceptions. The second-draw PPP loan application (form 2483-SD) required the applicant to certify, among other things, that it had fewer than 300 employees. The applicant was required to include in its employee count the employees of any foreign and domestic affiliate entities.

d. On February 8, 2021, United Abrasives applied for a second-draw PPP loan for $1,983,555. When it applied for the second-draw loan, United Abrasives falsely certified that it had fewer than 300 employees. At the time, United Abrasives and its affiliates collectively employed more than 300 employees. United Abrasives should have known that United Abrasives did not satisfy the size standard requirements for the second-draw loan.

e. Based on its application, United Abrasives received a second-draw PPP loan totaling $1,983,555 (SBA Loan No. 5850258506). In connection with that PPP loan, the SBA paid a $59,973 processing fee to the lender. Upon attesting to the accuracy of its underlying application and eligibility for the second-draw loan, United Abrasives received forgiveness of the loan on December 22, 2021, in the amount of $1,999,097, including $1,983,555 in principal and $15,542 in interest, which SBA paid to the lender. The SBA would not have approved the loan forgiveness had United Abrasives not falsely certified its eligibility.

The conduct described in this Paragraph C a.-e., above, is referred to below as the "Covered Conduct."

D. United Abrasives denies the United States' allegations in Paragraph C and the Relator's allegations in the Civil Action.

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

F. 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, attorney's 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. United Abrasives shall pay to the United States Three Million Eighty Eight Thousand Six Hundred Five Dollars ($3,088,605) ("Settlement Amount"), of which $2,059,070 is restitution, by electronic funds transfer no later than five business days after the Effective Date of this Agreement, pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Connecticut.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay $308,860 to Relator by electronic funds transfer ("Relator's Share").

3. United Abrasives shall pay $7,032.08 to Gregg Shapiro, counsel for Relator, pursuant to 31 U.S.C. § 3730(d) in full and complete satisfaction of any claim Relator has or could have asserted for attorney's fees, costs, or expenses arising out of, relating to, or in connection with the Civil Action. United Abrasives shall make this payment pursuant to written instructions to be provided by Relator's counsel no later than thirty (30) business days after the Effective Date 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, the United States releases United Abrasives 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 below, and upon the United States' receipt of the Settlement Amount, Relator, for himself and for his heirs,

successors, attorneys, agents, and assigns, releases United Abrasives 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 and 5 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;

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. Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, releases United Abrasives, 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 attorney's fees and costs.

9. United Abrasives waives and shall not assert any defenses United Abrasives 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. United Abrasives 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 United Abrasives 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. United Abrasives fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that United Abrasives 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.

12. United Abrasives agrees to the following, if applicable:

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 United Abrasives, 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) United Abrasives' 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 United Abrasives makes to the United States pursuant to this Agreement and any payments that United Abrasives may make to Relator, including costs and attorney's 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 United Abrasives, and United Abrasives 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, United Abrasives shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by United Abrasives or any of its subsidiaries or affiliates from the United States. United Abrasives agrees that the United States, at a minimum, shall be entitled to recoup from United Abrasives 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 United Abrasives' books and records and to disagree with any calculations submitted by United Abrasives or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by United Abrasives, 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 Staes 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). The Joint Stipulation of Dismissal shall provide for dismissal with prejudice as to all of Relator's claims in the Civil Action, and for dismissal with prejudice as to the United States' claims against United Abrasives for the Covered Conduct.

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 jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Connecticut. 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 United Abrasives' 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 (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 8-24-2026 BY: Michelle L. McConaghy

MICHELLE L. MCCONAGHY
Assistant United States Attorney
Chief, Civil Division
District of Connecticut

DATED: 8-24-26 BY: Sara G. Kaczmarek

SARA G. KACZMAREK
Assistant United States Attorney
District of Connecticut

UNITED ABRASIVES, INC.

DATED: Aug 19, 2026 BY: ______________________
ERIC MARZIALI
President and CEO, United Abrasives, Inc.

DATED: 8/19/2026 BY: ______________________
STANLEY A. TWARDY, JR.
Day Pitney LLP
Counsel for United Abrasives, Inc.

DATED: 8/19/26 BY: ______________________
MATTHEW J. LETTEN
Day Pitney LLP
Counsel for United Abrasives, Inc.

RELATOR DANIEL FOSTER

DATED: 08/10/26 BY: Daniel Foster

DANIEL FOSTER
Relator

DATED: August 10, 2026 BY: Gregg Shapiro

GREGG SHAPIRO
Gregg Shapiro Law, LLC
Counsel for Relator Daniel Foster