SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement 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 Department of Health and Human Services ("HHS") (collectively, the "United States"); SNG – Bellaire Dialysis Center, LP, SNG – Hillcroft Dialysis Center, LP, SNG – Northwest Dialysis Center, LP, SNG – Pasadena Dialysis Center, LP, SNG – Sandcastle Dialysis Center, LP, SNG – Texas City Dialysis, LP (collectively, the "Defendant SNG Dialysis Centers" or the "Defendants"); Sankar Nephrology Group, LLC, ("SNG"); and Brad Schofield ("Schofield" or "Relator") (the United States, Defendants, and Schofield collectively are referred to as the "Parties"), through their authorized representatives.

RECITALS

A. Defendant SNG Dialysis Centers are Texas corporations that were majority-owned by SNG and closed or transacted between 2018 and 2020.

B. Schofield is a resident of Texas.

C. In response to the COVID-19 pandemic, on March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), Pub. L. No. 116-136. Among other things, the CARES Act created the Provider Relief Fund ("PRF"), which reimbursed eligible health care providers for lost revenue or increased expenses caused by the COVID-19 pandemic. The Health Resources and Services Administration ("HRSA"), an agency within HHS, managed the PRF.

D. In Phase I of the PRF, HRSA distributed funds directly to health care providers based on their past Medicare billing, subject to certain conditions, including that health care providers report their lost revenue and increased expenses caused by the COVID-19 pandemic.

E. On January 17, 2024, Schofield filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States and State of Texas ex rel. Schofield v. Fresenius Medical Care N.A., et al.*, No. 24-cv-10139-NMG, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action").

F. The SNG Dialysis Centers each admit, acknowledge, and accept responsibility for the following facts:

a. As part of the Phase I distribution, the Defendant SNG Dialysis Centers received PRF payments.

b. By the time each of the Defendant SNG Dialysis Centers reported their lost revenue and increased expenses to HRSA, each of the Defendant SNG Dialysis Centers had either ceased operations or had sold their operations to another owner.

c. Each of the Defendant SNG Dialysis Centers reported to HRSA that they had zero revenue during the reporting period, which created the false implication that their revenue had gone to zero because of the COVID-19 pandemic, rather than a pre-arranged sale or closure.

d. As a result of this reporting, the Defendant SNG Dialysis Centers received $1,200,000 more in PRF funding than the Defendant SNG Dialysis Centers would have otherwise been entitled.

G. The United States contends that it has certain civil claims against the Defendants for engaging in the conduct described in Recital F (hereafter referred to as the "Covered Conduct.") for the time period April 2020 to July 2021. In particular, the United States contends

that, as a result of the Covered Conduct, the Defendants submitted false claims for payment and false statements material to a false claim to HRSA.

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.

I. The Defendant SNG Dialysis Centers received credit under the Department of Justice's guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justice Manual § 4-4.112. Among other actions, after the United States contacted the Defendant SNG Dialysis Centers regarding the PRF funding, the Defendant SNG Dialysis Centers promptly acknowledged responsibility, and cooperated in the government's investigation by providing investigators with information that they would not have been able to obtain through ordinary process, and by committing to continue to provide cooperation in the government's investigation.

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

TERMS AND CONDITIONS

1. The Defendants collectively shall pay to the United States two million forty thousand dollars ($2,040,000) plus interest at a rate of 4.25% per annum from August 6, 2026 ("Settlement Amount"). Of the Settlement Amount, $1,200,000 shall constitute restitution to the United States. Defendants shall pay the Settlement Amount according to the following payment schedule:

Payment date	Amount
10/28/2026	$523,113.49
1/28/2027	$523,113.49
4/28/2027	$523,113.49
7/28/2027	$523,113.49

Each payment shall be made by electronic funds transfer pursuant to written instruction to be provided by the United States Attorney's Office. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium. The parties agree that the above payment schedule shall be subject to modification to account for any such prepayment. The Defendant SNG Dialysis Centers are jointly and severally liable for the Settlement amount.

2. SNG shall execute the Guaranty Agreement attached hereto as Exhibit A, pursuant to which SNG will guaranty and satisfy any outstanding amounts owed to the United States under this Agreement (the "Guaranty Agreement").

3. Conditioned upon the United States receiving the Settlement Amount payments, the United States agrees that it shall pay to Relator by electronic funds transfer 20% percent of each such payment received under the Settlement Agreement ("Relator's Share") as soon as feasible after receipt of each payment.

4. Defendants agree to pay $200,000 to Relator and Relator's counsel in full satisfaction of their claims for expenses, attorney's fees, and costs incurred in connection with the Civil Action, by electronic funds transfer within 45 days of the Effective Date of this Settlement Agreement. No additional attorney's fees, expenses, or costs shall be paid or claimed by Relator or his counsel beyond those provided for under 31 U.S.C. § 3730(h) for Retaliatory Actions.

5. Subject to the exceptions in Paragraph 7 (concerning reserved claims) below, and subject to Paragraph 14 (concerning default), and Paragraph 15 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, the United States releases Defendants 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 or the common law payment by mistake, unjust enrichment, and fraud.

6. Subject to the exceptions in Paragraph 7 below, and subject to Paragraph 14 (concerning default), and Paragraph 15 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Defendants 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.

7. Notwithstanding the releases given in Paragraph 5 of this Settlement Agreement, or any other term of this Settlement 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 Settlement 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 Settlement Agreement; and

f. Any liability of individuals.

8. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Settlement Agreement but agree and confirm that this Settlement 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 Settlement Agreement and/or the Civil Action.

9. Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, releases Defendants, and their 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. This release does not apply to Relator's personal claims under 31 U.S.C. § 3730(h).

10. Defendants waive and shall not assert any defenses Defendants 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 Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action.

11. Defendants fully and finally release 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 Defendants have 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. Defendants each agree 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 Defendants, their present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Settlement Agreement;

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

(3) Defendants' 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 Settlement Agreement (including attorneys' fees);

(4) the negotiation and performance of this Settlement Agreement; and

(5) the payment Defendants' make to the United States pursuant to this Settlement Agreement and any payments that Defendants 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 shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Settlement Agreement, Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Defendants or any of its subsidiaries or affiliates from the United States. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants 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 Defendants' books and records and to disagree with any calculations submitted by Defendants or any of their subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Defendants, or the effect of any such Unallowable Costs on the amount of such payments.

13. Defendants and SNG agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Settlement Agreement. Upon reasonable notice, Defendants shall encourage, and agrees not to impair, the cooperation of their directors, officers, and employees, and shall use their 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. Defendants further agree 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. a. In the event that Defendants fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1, Defendants shall be in Default of Defendants' payment obligations ("Default"). The United States will provide a written Notice of Default, and Defendants shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to Defendants, or to such other representative as Defendants shall designate in advance in writing. If Defendants fail to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance) (the "Default Settlement Amount").

b. In the event of Uncured Default, Defendants agree that the United States, at its sole discretion, may (i) retain any payments previously made and exercise its rights under the Guaranty Agreement to collect payment of the Default Settlement amount from SNG (ii) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Defendants and SNG for the claims that would otherwise be covered by the releases provided in Paragraph 5 above, with any recovery reduced by the amount of any payments previously made by Defendants to the United States under this Agreement; (iii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (iv) offset the remaining unpaid balance from any

amounts due and owing to Defendants and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (v) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Defendants and SNG agree immediately to pay the United States the greater of (i) a ten percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, Defendants and SNG waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against Defendants and SNG within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on January 17, 2024. Defendants and SNG agree not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude Defendants and SNG from participating in all Federal health care programs until Defendants and SNG pay the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to Defendants and SNG. Defendants and SNG waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agrees not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, Defendants and SNG wish to

apply for reinstatement, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Defendants and SNG will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

15. In exchange for valuable consideration provided in this Agreement, Defendants, SNG, and Relator acknowledge the following:

a. SNG has reviewed its financial situation and warrants that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties and SNG intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Defendants and SNG was or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If (i) any of Defendants' or SNG's payments or obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) (an "Avoidance Event') or, (ii) before the Settlement Amount is paid in full, Defendants or SNG or a third party commences a case,

proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Defendants' or SNG's debts, or to adjudicate Defendants or SNG as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or SNG or for all or any substantial part of Defendants' or SNG's assets (an "Insolvency Event"):

(i) the United States may, at its sole discretion, retain any payments previously made and exercise its rights under the Guaranty Agreement to collect payment of the Settlement Amount or Default Settlement amount, as applicable, from SNG;

(ii) the United States may, at its sole discretion, rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Defendants and SNG for the claims that would otherwise be covered by the releases provided in Paragraph 5;

(iii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Defendants and SNG in the amount of **$3,771,714.00**, less any payments received pursuant to Paragraph 1 of this Agreement or pursuant to the Guaranty Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by a receiver, trustee, creditor, custodian, or similar official (the "Allowed Claim Amount");

(iv) if any payments are avoided and recovered by a receiver, trustee, creditor, custodian, or similar official, the United States shall not be responsible for the return of any amounts already paid by the United States to the Relator; and

(v) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the Relator pursuant to Paragraph 3 are recovered from the United States in an action or proceeding filed by a receiver, trustee, creditor, custodian, or similar official in or in connection

with a bankruptcy case that is filed within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of this Agreement, Relator shall, within thirty days of written notice from the United States to the undersigned Relator's counsel, return to the United States all amounts recovered from the United States.

f. Defendants and SNG agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 15.e is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. Defendants and SNG each agree they shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Defendants and SNG agree to waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to Defendants and SNG that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on January 17, 2024.

16. This Settlement 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.

17. Upon receipt of the payments described in Paragraph 1 and 3, above, the United States and the Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal subject to the terms of this Settlement Agreement. The Joint Stipulation of Dismissal shall state that: (1) claims for the allegations described in the Covered Conduct are dismissed with prejudice to the United States; (2) all other claims in the Civil Action, including claims

under 31 U.S.C. §§ 3729-33, shall be dismissed without prejudice to the United States; and (3) all claims in the Civil Action shall be dismissed with prejudice as to the Relator, except for claims under 31 U.S.C. § 3730(h) for Retaliatory Actions.

18. Except as provided in Paragraph 4, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Settlement Agreement.

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

20. This Settlement Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Settlement Agreement is the United States District Court for the District of Massachusetts. For purposes of construing this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

21. This Settlement Agreement constitutes the complete agreement between the Parties. This Settlement 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 Settlement Agreement shall not constitute a waiver of rights under this Settlement Agreement.

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

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

24. This Settlement Agreement is binding on Defendants' and SNG's successors, transferees, heirs, and assigns.

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

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

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

[signature page follows]

THE UNITED STATES OF AMERICA

DATED: 10/27/26

BY: _____
CHARLES WEINOGRAD
Assistant United States Attorney
District of Massachusetts

DATED: _____

KENNETH KRAFT
Digitally signed by KENNETH KRAFT
Date: 2026.10.26 15:46:34 -04'00'

BY: _____
KENNETH D. KRAFT
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 SNG DIALYSIS CENTERS

DATED: 10/23/26

BY: _____
SNG – BELLAIRE DIALYSIS CENTER, LP
Ponniah Sankarapandian

DATED: 10/23/26

BY: _____
SNG – HILLCROFT DIALYSIS CENTER, LP
Ponniah Sankarapandian

DATED: 10/23/26

BY: _____
SNG NORTHWEST DIALYSIS CENTER, LP
Ponniah Sankarapandian

DATED: 10/23/26

BY: _____
SNG – PASADENA DIALYSIS CENTER, LP
Ponniah Sankarapandian

DATED: 10/23/26

BY: _____
SNG – SANDCASTLE DIALYSIS CENTER, LP
Ponniah Sankarapandian

DATED: 10/23/26

BY: _____
SNG – TEXAS CITY DIALYSIS, LP
Ponniah Sankarapandian

DATED: 10/23/2026

BY: _____
NATHAN GARRETT
Counsel for Defendants

GUARANTOR

DATED: 10/23/26

BY: _____
SANKAR NEPHROLOGY GROUP
Ponniah Sankarapandian
Chairman / President

BRAD SCHOFIELD - RELATOR

DATED: _____

BY: _____
BRAD SCHOFIELD

DATED: _____

BY: _____
ANDREW WIRMANI
Counsel for Brad Schofield

DATED: _____ BY:_____
SNG – SANDCASTLE DIALYSIS CENTER, LP
Ponniah Sankarapandian

DATED: _____ BY:_____
SNG – TEXAS CITY DIALYSIS, LP
Ponniah Sankarapandian

DATED: _____ BY:_____
NATHAN GARRETT
Counsel for Defendants

GUARANTOR

DATED: _____ BY:_____
SANKAR NEPHROLOGY GROUP
Ponniah Sankarapandian
Chairman / President

BRAD SCHOFIELD - RELATOR

DATED: 10/27/2026 BY: Brad Schofield
BRAD SCHOFIELD

DATED: 10/27/26 BY:_____
ANDREW WIRMANI
Counsel for Brad Schofield