

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into between the California Air Resources Board (CARB), with its principal location at 1001 I Street, Sacramento, California 95814; and Amp Americas II Parent, LLC (Amp), with its principal location at 2001 N. Clybourn Avenue, Suite 400, Chicago, Illinois 60614 (collectively, the "Parties," or individually, "Party").

### **LEGAL BACKGROUND**

- (1) Purpose. The Global Warming Solutions Act of 2006 mandates CARB to adopt regulations to reduce greenhouse gas emissions and to enforce those regulations. (Health & Saf. Code §§ 38560, 38562, and 38580.)
- (2) Regulation. CARB adopted the *Low Carbon Fuel Standard* (LCFS Regulation) to incentivize innovative fuels that will reduce greenhouse gas emissions. (Cal. Code Regs., tit. 17, § 95480 et seq.)
- (3) Regulatory Provisions. Fuel pathway holders are defined as fuel pathway applicants that have received a certified fuel pathway carbon intensity based on site-specific data, including a provisional fuel pathway. Fuel pathway holders producing, selling, supplying or offering for sale transportation fuel into the State of California must submit an annual Fuel Pathway Report to CARB, which includes the fuel's carbon intensity, which must not exceed its certified carbon intensity. (Cal. Code Regs., tit. 17, §§ 95480-95503.)
- (4) Penalty Provisions. Failure to comply with the regulatory requirements is a violation of state law that may result in penalties up to thirty-five thousand dollars (\$35,000.00 USD) for strict liability violations, twenty-five thousand dollars (\$25,000.00 USD) for entering false information, failing to keep any document, respectively, for each day in which the violation occurs, and \$1,000 per deficit. (Cal. Code Regs., tit. 17, § 95494; Health & Saf. Code §§ 38580, 42400 et seq., 42402 et seq., 43027, and 42410.)

### **CASE BACKGROUND**

- (5) Corporate Entity. At all relevant times, Amp was organized under the laws of Delaware as a limited liability company, and conducted business in the State of California.
- (6) Allegations. CARB alleges that at all relevant times, certain subsidiaries of Amp were fuel pathway holders as defined by the LCFS Regulation for the Reporting Periods 2020 to 2023, and sold, supplied, offered for sale, transportation fuel compressed natural gas into the State of California and failed to maintain its verified operational carbon intensity below its certified carbon intensity. CARB alleges this fuel did not conform to the requirements of the LCFS Regulation as

outlined in the Notice of Violation F033121-GIRH-CI. (Cal. Code Regs., tit. 17, § 95480 et seq.) CARB alleges that if Paragraphs 1 through 6 were proven, civil penalties could be imposed against Amp for each and every day on which a violation occurs.

- (7) Acknowledgment. Amp admits to the facts in Paragraphs 1 through 6, but denies any liability resulting from said allegations.
- (8) Consideration. Through this Agreement, Amp intends to resolve any liability associated with the fuel produced for the Reporting Periods 2020, 2021, 2022, and 2023. In consideration of the foregoing, and of the promises and facts set forth herein, the Parties desire to settle and resolve all claims, disputes, and obligations relating to the above-listed alleged violations and voluntarily agree to resolve this matter by means of this Settlement Agreement. In order to resolve the violations described herein, Amp has taken, or agrees to take, the actions enumerated below within the Terms and Conditions. Further, CARB accepts this Settlement Agreement in termination and full settlement of this matter.

### **TERMS AND CONDITIONS**

In consideration of CARB not filing a legal action against Amp for the alleged violations referred to above in the Legal Background and Case Background, Amp's agreement to complete all terms and conditions set forth below, and CARB's agreement not to maintain any other administrative consequences with respect to the violations alleged in the Legal Background and Case Background, CARB and Amp agree as follows:

- (9) Settlement Amount. Amp shall pay a civil penalty of three hundred thousand dollars (\$300,000.00 USD). Amp shall make all payments in accordance with the Payment Plan and Schedule below.
- (10) Payment Plan and Schedule. Pursuant to this Settlement Agreement, Amp shall make payments according to the following table:

<b>Days After the Notification Date</b>	<b>In the Amount of and Payable to:</b>
30 days	\$75,000 California Air Resources Board
90 days	\$75,000 California Air Resources Board
180 days	\$75,000 California Air Resources Board
270 days	\$75,000 California Air Resources Board

- (11) Notification Date. The date upon which CARB notifies Amp according to Paragraph 14 (Notices), that the Settlement Agreement is fully executed or when CARB sends the fully executed Settlement Agreement to Amp.
- (12) Civil Penalty Payment Method. Amp shall pay the civil penalty by check, credit card, wire transfer, or portal, payable to the "California Air Resources Board," using instructions provided separately by CARB in a Payment Transmittal Form. Amp is responsible for all payment processing fees. Payments shall be accompanied by the Payment Transmittal Form to ensure proper application. CARB shall deposit the civil penalty amount into the Air Pollution Control Fund for the purpose of carrying out CARB's duties and functions to ensure the integrity of its air pollution control programs. Should payment instructions change, CARB will provide notice to Amp in accordance with Paragraph 14 (Notices).
- (13) Documents. Amp shall promptly email or mail the signed and dated Settlement Agreement to the address or email in Paragraph 14 (Notices).
- (14) Notices. Unless otherwise specified in this Settlement Agreement, whenever notifications, submissions, or communications are required by this Settlement Agreement, they shall be submitted in writing to the address or email below:

As to CARB:

California Air Resources Board  
Enforcement Division / Settlement Agreements  
Field Operations Branch, Fuels Enforcement Section  
P.O. Box 2815  
Sacramento, California 95812-2815  
Settlement\_Agreement@arb.ca.gov

As to Amp:

Amp Americas II Parent, LLC  
2001 N. Clybourn Avenue, Suite 400  
Chicago, Illinois 60614  
ehendricks@ampamericas.com

As to Amp's Legal Representation:

Julie A. Cress  
101 California Street, Suite 3600  
San Francisco, California 94111  
Julie.cress@bakerbotts.com

Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above. Notices submitted pursuant to this section shall be deemed submitted upon emailing or mailing.

- (15) Compliance. Amp agrees to comply with all regulatory requirements.
- (16) Entirety. This Settlement Agreement constitutes the entire agreement and understanding between the Parties concerning the Case Background and supersedes and replaces any and all prior negotiations and agreements of any kind, whether written or oral, between the Parties concerning the Case Background hereof. This Settlement Agreement consists of 6 pages, and 33 numbered paragraphs.
- (17) Binding Effect. This Settlement Agreement binds Amp, and any principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations and CARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Settlement Agreement.
- (18) Effective Date. The effective date shall be the date upon which this Settlement Agreement is fully executed.
- (19) Modification and Termination. No agreement to modify, amend, extend, supersede, terminate, or discharge this Settlement Agreement, or any portion thereof, is valid or enforceable unless it is in writing and signed by all Parties to this Settlement Agreement.
- (20) Severability. Each provision of this Settlement Agreement is severable, and in the event that any provision of this Settlement Agreement is held to be illegal, invalid or unenforceable in any jurisdiction, the remainder of this Settlement Agreement remains in full force and effect.
- (21) Choice of Law. This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.
- (22) Non-Discharge. It is further agreed that the penalties described in this Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7), which provides an exception from discharge for any debt to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit.
- (23) Rules of Construction. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Settlement Agreement.
- (24) Non-Waiver. The failure to enforce any provision of this Settlement Agreement shall not be construed as a waiver of any such provision, nor prevent such Party thereafter from enforcing such provision or any other provision of this Settlement Agreement. The rights and remedies granted all Parties herein are cumulative and

the election of one right or remedy by a Party shall not constitute a waiver of such Party's right to assert all other legal remedies available under this Settlement Agreement or otherwise provided by law.

- (25) Intent to be Bound. The Parties represent that: They have participated fully in the review and drafting of this Settlement Agreement; understand and accept all terms; enter into this Settlement Agreement freely and voluntarily; have had an opportunity to consult with legal counsel; are fully informed of the terms and effect of this Settlement Agreement; have agreed to this Settlement Agreement after independent investigation and agree it was not arrived at through fraud, duress, or undue influence; and knowingly and voluntarily intend to be legally bound by this Settlement Agreement.
- (26) Venue. The Superior Court of California, located in the County of Sacramento, shall hear any dispute between the Parties arising from this Settlement Agreement.
- (27) Counterparts and Electronic Signatures. This Settlement Agreement may be executed in counterparts. Electronic, facsimile or photocopied signatures shall be considered as valid signatures.
- (28) Release. In consideration of full payment of the civil penalty, and all other undertakings above, CARB hereby forever releases and discharges Amp and its principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations, from any claims CARB may have based on the circumstances described in Paragraphs 1 through 6 above.
- (29) Authority. The undersigned represents that he or she has full authority to enter into this Settlement Agreement.

### **PENALTY BASIS**

- (30) Per Unit Penalty. The per unit penalty would be assessed under Health and Safety Code sections 38580 and 43027, for violations of the LCFS Regulation. (Cal. Code Regs., tit. 17, § 95494.) This case was not resolved on a per unit basis.
- (31) Emissions. The provisions cited in Paragraphs 1 through 6 above prohibit emissions above a specified level. As Amp's facilities take emissions that would otherwise be unabated and convert those emissions into a beneficial use, there are no excess emissions associated with the allegations cited in paragraphs 1 through 6.
- (32) Aggravating and Mitigating Factors. The penalties in this matter were determined in consideration of all relevant circumstances, including statutory factors as described in CARB's Enforcement Policy. CARB considered whether the violator

came into compliance quickly and cooperated with the investigation; the extent of harm to public health, safety and welfare; nature and persistence of the violation, including the magnitude of the excess emissions; compliance history; preventative efforts taken; innovative nature and the magnitude of the effort required to comply, and the accuracy, reproducibility, and repeatability of the available test methods; efforts to attain, or provide for, compliance prior to violation; action taken to mitigate the violation; financial burden to the violator; and voluntary disclosure. The penalties are set at levels sufficient to deter violations, to remove any economic benefit or unfair advantage from noncompliance, to obtain swift compliance, and the potential costs, risks, and uncertainty associated with litigation. In this matter, there were a number of mitigating factors, including that this is the first time CARB has alleged a violation of the LCFS against Amp, that Amp is a low carbon fuel producer and not an obligated party under the LCFS, that Amp has fully cooperated in CARB's investigation, and that Amp has surrendered all credits generated from the alleged violation described above. Penalties in future cases might be smaller or larger depending on the unique circumstances of the case.

- (33) Confidential Business Information. CARB may have based this penalty in part on confidential business information provided by Amp or confidential settlement communications.

ACKNOWLEDGED AND ACCEPTED BY:

**California Air Resources Board**

Signature: /S/

Name: Shannon M. Dilley

Title: Chief Counsel

Date: June 2, 2025

**Amp Americas II Parent, LLC**

Signature: /S/

Name: Jim Waddell

Title: Senior Director and Senior Counsel

Date: May 21, 2025