

**IN THE STATE OF SOUTH CAROLINA
BEFORE THE DEPARTMENT OF ENVIRONMENTAL SERVICES**

**IN RE: SILFAB SOLAR, INC.
PERMIT NUMBER CP-50000090 v1.0
YORK COUNTY**

COMPLIANCE AGREEMENT

The South Carolina Department of Environmental Services¹, Bureau of Air Quality (“Department”), and Silfab Solar, Inc., 7149 Logistics Lane, Fort Mill, South Carolina (“Silfab”) without the adjudication of any issues of fact or law and upon the consent of the parties, agree to the terms of this Compliance Agreement as follows:

FINDINGS OF FACT

WHEREAS, for the sole purposes of this Compliance Agreement, on current information and belief, the parties agree to the following findings:

1. Silfab operates a plant for the assembly and production of solar panels and solar cells at a facility located at 7149 Logistics Lane, Fort Mill, South Carolina 29715, in York County (“Facility”). Construction of the Facility is authorized by Synthetic Minor Construction Permit, Permit No. CP-50000090 v1.0 (“Permit”) issued by the Department on March 1, 2024.
2. As a condition of the above Permit, Silfab has a Risk Management Plan (“RMP”) and Risk Management Program for the Facility for in-process storage and use of regulated

¹ Pursuant to South Carolina Act No. 60 of 2023 and South Carolina Code § 1-30-140, all functions, powers, and duties of the environmental divisions, offices, and programs of the South Carolina Department of Health and Environmental Control were transferred to, incorporated in, and shall be administered as part of the Department of Environmental Services as of July 1, 2024.

substances in quantities above specified statutory thresholds (“Regulated Substances”) under S.C. Code Ann. 61-62.68, Chemical Accident Prevention Provisions (“Part 68”), and Section 112(r) of the federal Clean Air Act (“Section 112(r”).

3. As of March 5, 2026, Silfab had accepted deliveries of silane and ammonia at the Facility, and those Regulated Substances are currently stored in tanks at the Facility. Hydrochloric acid (“HCL”), also a Regulated Substance that will be stored in a tank at the Facility, has not yet been delivered to the Facility.
4. Pursuant to the Permit, Silfab is authorized to assemble solar panel modules and cells from components that do not require use of Regulated Substances (“Assembly Process”). Silfab is also authorized to produce solar cells using Regulated Substances from components (“Manufacturing Process”). The Facility’s Assembly Process and Manufacturing Process are co-located in the same building, but in separate areas.
5. Silfab started the Assembly Process at the Facility on or about October 2025 and after receiving a Temporary Certificate of Occupancy from York County.
6. Regulated Substances are not used in the Assembly Process.
7. On November 5, 2025, Silfab notified the Department the Facility had started commissioning equipment for eventual use in the Manufacturing Process (“Commissioning Activities”). Commissioning Activities at the Facility have included, but are not limited to, commissioning of the acid scrubber (“Scrubber”) that will be used for removal of HCL and hydrofluoric acid (“HF”).
8. Silfab obtained a Certificate of Occupancy from York County on February 13, 2026.

9. On March 3, 2026, scrubber water containing diluted potassium hydroxide discharged into a stormwater collection structure at the Facility. The Department was advised by Silfab that the discharge occurred due to a manually controlled water valve associated with the Scrubber being open, resulting in an overflow within the scrubber and leakage of the solution through a cracked drainpipe.
10. On March 4, 2026, Department staff visited the Facility in response to the March 3, 2026, scrubber water discharge. The Facility was responding to the discharge and indicated a preliminary report on the root cause of the incident would be completed by March 13, 2026.
11. On March 5, 2026, the Department became aware of a drip of HF at the Facility that began before the Department's site visit on March 4, 2026. HF is stored and will be used at the Facility at a concentration of 49%, below the applicable concentration to qualify as a Regulated Substance under Part 68 and Section 112(r).
12. On March 5, 2026, Department staff observed the HF drip coming from a connection to the HF storage tank and estimated the drip to occur no more than once per hour. Silfab was using two separate containment measures to contain the drip, and the drip was being contained and neutralized.
13. On March 5, 2026, the Department issued a Directive to Cease Operations ("Directive") directing Silfab to immediately cease all operations including but not limited to commissioning activities at the Facility pending completion of an investigation of the Facility's Risk Management Program by the Department and the United States Environmental Protection Agency ("EPA"). The Directive further directed Silfab to:
 - a. Place all systems in safe and secure condition.
 - b. Confirm to the Department there are no other chemical leaks at the plant site.

- c. Retain a qualified professional engineer with expertise evaluating chemical systems and equipment leaks and provide evaluation results to the Department.
- d. Notify the Department as soon as reasonably possible of any future releases of any chemical from any piping or tank system.

The Directive requested Silfab agree to the Directive and stated that failure to consent would result in further action by the Department.

- 14. On March 5, 2026, Silfab responded to the Directive in a letter stating, “In order to ensure the manufacturing process requiring chemical deliveries is not used, the company will agree to terminate associated operations, restrict access and lock out tag out services to such operations to the manufacturing room to the extent possible.”
- 15. On March 6, 2026, Silfab informed the Department it had cancelled shifts on March 5 through March 8 and the Facility’s first production shift on March 9. Silfab confirmed its agreement to cease operations requiring chemical delivery and/or abatement, including but not limited to commissioning activities at the Facility related thereto pending an inspection by the Department and EPA. With respect to the directive in Finding 13(a) above, Silfab confirmed its agreement to place the systems associated with the Manufacturing Process in a safe and secure condition. Silfab further confirmed its agreement to the directives set forth in Finding 13(b), 13(c), and 13(d).
- 16. As agreed, Silfab did not resume operations on March 6, 2026, including operations related to both the Manufacturing Process and the Assembly Process.
- 17. On March 6, 2026, the Department and Silfab agreed that all operations at the Facility, including both the Manufacturing Process and Assembly Process, would remain paused to allow for an inspection of the Facility by the Department and EPA.

18. On March 9, 2026, the Department and EPA inspected the Facility's Risk Management Program. In addition, the Department inspected the Assembly Process for compliance with applicable requirements of the Permit. EPA also inspected the Facility for compliance with the Emergency Planning and Community Right-to-Know Act ("EPCRA").
19. During the March 9, 2026, inspection, Department staff observed no indication that the Facility's Assembly Process should remain paused. Silfab agreed to add a third containment measure for the HF drip and to begin emptying the tank of HF for repair as soon as possible. While not yet required, Silfab did not produce documentation for process safety information (PSI) and process hazard analysis (PHA) for HCL during the inspection.

IT IS THEREFORE AGREED, under the authority of S.C. Code § 48-1-10, et seq., that Silfab shall:

1. Submit to the Department a preliminary written report addressing the root cause of the potassium hydroxide discharge that occurred on March 3, 2026, and submit a final report by April 13, 2026.
2. Except for use of or repairs to air exhaust control technology and activities required to comply with the terms of this Compliance Agreement, continue cessation of Commissioning Activities involving the handling or use of Regulated Substances or HF and pause delivery of additional Regulated Substances to the Facility until requirements (3), (4), and (5) below are complete. In addition, for all equipment associated with Regulated Substances, continue to implement lock out tag out procedures and restrict access to the equipment until requirements (3), (4), and (5) below are complete.

3. Within thirteen (13) days of the execution date of this Compliance Agreement, provide written confirmation to the Department there are no chemical leaks at the Facility, including leaks or drips of HF.
4. Retain a qualified, third-party professional engineer (“PE”) with expertise in evaluating chemical processes to perform an evaluation of the Facility’s leak prevention and response methods and procedures for chemicals used in the Manufacturing Process to include Regulated Substances, Potassium Hydroxide, and HF. Upon completion of the evaluation, the PE’s written evaluation results shall be submitted to the Department. With the PE’s evaluation results, Silfab shall also submit its written plan for implementing recommendations made by the PE to the Department for review and comment.
5. Conduct a review of the Facility’s emergency response procedures and submit the results of that review to the Department. This review must be completed by a third party or qualified employee with experience in emergency response protocols and must address the Facility’s emergency response training, coordination with local emergency responders, emergency drills and exercises, and notification procedures.
6. After completing requirements (3), (4) and (5) above, inform the Department at least seventy-two (72) hours in advance of (1) restarting Commissioning Activities involving handling or use of Regulated Substances or HF or (2) restarting delivery of Regulated Substances or HF. Silfab agrees to ensure completion of documentation for PSI and PHA for HCL in accordance with the applicable regulations.
7. For one (1) year after the execution date of this Compliance Agreement, provide notice to the Department as soon as reasonably possible of any release or leak of any chemical regulated under the federal Clean Air Act, EPCRA, or CERCLA exceeding one (1) gallon

from any piping or tank system at the Facility regardless of whether such release or leak would be reportable under law.

IT IS FURTHER AGREED that the Department reserves the right to take any and all actions necessary to address any emergency, to undertake enforcement action for documented violation(s) of any statute, regulation, or permit, including but not limited to the issuance of a consent order or administrative order and assessment of civil penalties, and to take other legal action, including for injunctive, remedial, or equitable relief. This Compliance Agreement constitutes the entire agreement between the Department and Silfab.

IT IS FURTHER AGREED that by entering this agreement Silfab does not admit any liability and reserves all rights available under applicable law and the ability to take any other lawful action not prohibited by this Compliance Agreement.

IT IS FURTHER AGREED that this matter is not in enforcement before the Department.

IT IS FURTHER AGREED that the execution date of this Compliance Agreement is the date this Agreement is signed by all parties.

**FOR THE SOUTH CAROLINA DEPARTMENT
OF ENVIRONMENTAL SERVICES**

Henry J Porter
Myra C. Reece

Myra C. Reece, Director

Date: 3/16/2026

Rhonda B. Thompson

Rhonda B. Thompson, P.E.
Bureau Chief
Bureau of Air Quality

Date: 03/16/2026

W. Marshall Taylor, Jr.

W. Marshall Taylor, Jr., General Counsel
Office of General Counsel

Date: 3/16/2024

FOR SILFAB SOLAR, INC.



Signature

Date: March 16, 2026

Paolo Maccario President and CEO
Print or type name and title