

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 Department of Defense, Defense Contract Management Agency (collectively the "United States"), and L3 Technologies, Inc., Communication Systems West ("L3") (hereafter collectively referred to as the Parties), through their authorized representatives.

RECITALS

A. L3 manufactures cables, receivers, and communications equipment to operate unmanned aircraft vehicles and retrieve data for military operations and intelligence. L3 has sole source, fixed price contracts with the Air Force, Army, Navy, and other government agencies, and subcontracts with other prime contractors who manufacture unmanned aircraft vehicles.

B. The United States contends that it has certain civil claims against L3 arising from L3's pricing proposals for eight related items, namely Remote Operations Video Enhanced Receivers (ROVER), Video Oriented Transceivers for Exchange of Information (VORTEX), Soldier Intelligence, Surveillance, and Reconnaissance Receivers (SIR), and each of their versions and kits ("the Products"). Specifically, the United States contends that, during the period from January 1, 2006 through February 28, 2014, L3 knowingly made false statements related to its pricing of the Products and submitted or caused the submission of false claims in connection with the contracts identified in Attachment A hereto by failing to disclose accurate, current, and complete cost or pricing data relating to the labor costs, material costs, and burdens for manufacturing the Products. The conduct described in this paragraph is hereby described as the "Covered Conduct."

C. This Settlement Agreement is neither an admission of liability by L3 nor a concession by the United States that its claims are not well founded.

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. L3 shall pay to the United States \$62,000,000.00 (Settlement Amount) and interest on the Settlement Amount at a rate of 1.5% per annum from May 7, 2025, of which \$40,000,000.00 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice no later than 14 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, plus interest due, the United States releases L3, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; and the corporate successors and assigns of any of them 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 Truth In Negotiations Act, 10 U.S.C. § 2306a, now 10 U.S.C. §§ 3701-3708; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Contract Disputes Act, 41 U.S.C. §§ 7101 – 7109; Cost Accounting Standards; contract remedies under the Federal Acquisition Regulation; or the common law theories of breach of contract, fraud and negligent misrepresentation.

3. Notwithstanding the release given in Paragraph 2 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;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods or services;
- h. Any liability for failure to deliver goods or services due;
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. L3 waives and shall not assert any defenses L3 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.

5. L3 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 L3 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 and the United States' investigation and prosecution thereof.

6. Nothing in this Agreement precludes L3 from pursuing any claims or reduces any claims related to its termination for convenience proposals pertaining to the Army's Kiowa helicopter program under Contract Nos. W58RGZ-11-C-0023 and W58RGZ-11-D-0169.

7. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulations, 48 C.F.R. § 31.205-47) incurred by or on behalf of L3, 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) L3'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 L3 makes to the United States pursuant to this Agreement,

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 L3, and L3 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, L3 shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by L3 or any of its subsidiaries or affiliates from the United States. L3 agrees that the United States, at a minimum shall be entitled to recoup from L3 any overpayment plus applicable interest and penalties as a result of 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 L3's books and records and to disagree with any calculations submitted by L3 or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by L3, or the effect of any such Unallowable Costs on the amount of such payments.

8. This Agreement is intended to be for the benefit of the Parties only.

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

11. 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 District of Utah. 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.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

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

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

15. This Agreement is binding on L3's successors, transferees, heirs, and assigns.

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

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

THE UNITED STATES OF AMERICA

DATED: May 22, 2025

BY: A. Thomas Morris
A. Thomas Morris
Senior Trial Counsel
Commercial Litigation Branch Civil
Division
United States Department of Justice

DATED: May 7, 2025

BY: Carra S. Cadman
Carra S. Cadman
Assistant United States Attorney
Office of the United States Attorney
District of Utah

L3 Technologies, Inc., Communication Systems West

DATED: May 7, 2025

BY:



Christoph Feddersen
Vice President, General Counsel and Secretary
L3 Technologies, Inc.,
Communication Systems West

DATED: May 7, 2025

BY:



Edward Jackson
Morrison & Foerster LLP
Counsel for L3 Technologies, Inc.,
Communication Systems West

ATTACHMENT A TO U.S. – L3 SETTLEMENT AGREEMENT

L3 PRIME CONTRACTS WITHIN COVERED CONDUCT

Army:

W58RGZ-07-C-0209
W58RGZ-11-C-0023
W58RGZ-11-D-0169
W904TE-10-M-0140
W911W6-09-D-0007
W911W6-12-D-0002
W912JC-10-M-0001

Air Force:

FA0021-10-P-0003
FA4830-10-M-0014
FA8527-09-D-0090
FA8620-05-G-3027
FA8620-07-G-3015
FA8620-12-G-3007
FA8620-08-G-4060
FA8650-10-C-1891

Navy:

N00019-09-C-0059
N00164-07-G-8743
N00383-04-G-026N
N00383-09-G-007N
N00383-06-G-061B
N00421-10-D-0013
N65236-07-D-6285
N65236-08-D-3063
N65236-09-C-3555
N65236-09-C-3556
N68936-08-C-0098

Other:

H92222-07-P-0091
H92222-08-D-0002
H92222-08-C-0033
H92222-09-D-0006
H92222-09-C-0024
H92222-10-D-0003
H92236-05-D-1003
H98230-09-D-0200

L3 SUBCONTRACTS ON OTHER COMPANIES' PRIME CONTRACTS WITHIN
COVERED CONDUCT

Army:

W15P7T-10-C-S801
W31P4Q-06-C-R190
W58RGZ-05-C-0069
W58RGZ-05-C-0239
W58RGZ-06-C-0190
W58RGZ-06-C-0208
W58RGZ-07-C-0107
W58RGZ-08-C-0016
W58RGZ-08-C-0023
W58RGZ-08-C-0082
W58RGZ-09-D-0130
W58RGZ-09-C-0136
W58RGZ-09-C-0153
W58RGZ-09-C-0151
W58RGZ-10-C-0005
W58RGZ-10-C-0068
W58RGZ-11-C-0099
W58RGZ-12-C-0057
W58RGZ-12-C-0001
W58RGZ-12-C-0075
W9113M-08-D-0001
W91260-06-D-0006

Air Force:

F19628-02-C-0048
F33657-03-G-4306
F33657-01-C-4600
F33657-99-D-0028
FA8528-09-D-0001
FA8620-04-G-4019
FA8620-05-G-3028
FA8620-05-C-4692
FA8620-06-C-3002
FA8620-06-G-4026
FA8620-07-C-4010
FA8620-07-C-4011
FA8620-07-C-4015
FA8620-07-C-4021
FA8620-08-G-3005
FA8620-08-C-3013
FA8620-08-C-3001
FA8620-09-G-3039
FA8620-09-G-3049

FA8620-09-C-4001
FA8620-10-G-3038
FA8620-10-C-4007
FA8626-10-D-2132
FA8650-06-D-7636
FA8650-10-C-1887
FA8726-09-C-0010

Navy:

N00019-04-C-3146
N00019-05-G-0008
N00019-05-G-0009
N00019-08-C-0023
N00019-09-C-0022
N00173-08-D-2002