

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 Defense Logistics Agency (DLA) (collectively the "United States") and Prysmian Cables & Systems USA, LLC ("Prysmian Cables") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Beginning in approximately 1994, Prysmian Cables & Systems USA, LLC f/k/a General Cable Industries, f/k/a Prestolite Wire LLC (collectively "Prysmian Cables"), located at One Prestolite Drive, Paragould, AR, 72454 ("Paragould Facility"), manufactured and sold, *inter alia*, cables, including cables manufactured according to Military Specification (Mil-Spec) 13486 which were listed on the Qualified Products List (QPL). The cables at issue are hereinafter referred to as "Mil-Spec Cables". Paragould Facility sold the Mil-Spec Cable to IEWC Corp, f/k/a Industrial Electric Wire & Cable Corp., which in turn sold the Mil-Spec Cable to Riverside Manufacturing, LLC, which in turn sold the Mil-Spec Cable to AM General, for use in military vehicles. Paragould Facility ceased manufacture of Mil-Spec 13486 cables in 2021.

B. The United States contends that it has certain civil claims against Paragould Facility arising from Paragould's failure to conduct certain required production and retention of qualification tests on the Mil-Spec Cables, specifically (1) high temperature resistance testing; (2) low temperature resistance testing; (3) ozone resistance testing; the provision of falsified results of these tests to DLA; and (4) the failure to notify DLA of compound and ingredient changes on the Mil-Spec Cables during the

period from 2005 through 2021. Additionally, Paragould Facility failed to retain required test records for the Mil-Spec Cables for that period. DLA purchased directly \$460,000.00 of the Mil-Spec Cables at issue. That conduct is referred to below as the Covered Conduct.

C. In March 2021, Prysmian initiated an internal investigation of its Paragould Facility and made a mandatory disclosure under the Federal Acquisition Regulation (FAR) to DLA, which it updated on December 24, 2021 (DoD # 20210330-070447), implemented a Stop Ship/Stop Production order, bought back the cable at issue that remained in IEWC Corp's stock, exited Mil-Spec 13486 manufacturing, submitted a GIDEP in July 2021, and terminated four employees, including its Quality Manager, the Quality Systems Coordinator, Quality Engineer, and Product Development Supervisor. Prysmian cooperated with the government's investigation that followed its disclosure.

D. This Settlement Agreement is neither an admission of liability by Prysmian Cables 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. Prysmian Cables shall pay to the United States Nine Hundred Twenty Thousand Dollars (\$920,000.00) (Settlement Amount), of which Four Hundred Sixty Thousand Dollars (\$460,000.00) 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 ten (10) 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, the United States releases Prysmian Cables together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; 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 Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Contract Disputes Act, 41 U.S.C. §§ 7101 - 7109 or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

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 failure to deliver goods or services due;
- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Prysmian Cables waives and shall not assert any defenses Prysmian Cables 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. Prysmian Cables 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 Prysmian Cables 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. 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 Prysmian Cables, 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) Prysmian Cables' 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 Prysmian Cables 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 Prysmian Cables, and Prysmian Cables 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, Prysmian Cables shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Prysmian Cables or any of its subsidiaries or affiliates from the United States. Prysmian Cables agrees that the United States, at a minimum, shall be entitled to recoup from Prysmian Cables 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 Prysmian Cables' books and records and to disagree with any calculations submitted by Prysmian Cables or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Prysmian Cables, or the effect of any such Unallowable Costs on the amount of such payments.

7. Prysmian Cables agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Prysmian Cables shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its 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. Prysmian Cables further agrees to furnish to the United States, upon request, complete and unredacted copies of all, if any and to the extent not already provided, 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.

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 Eastern District of Arkansas. 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.

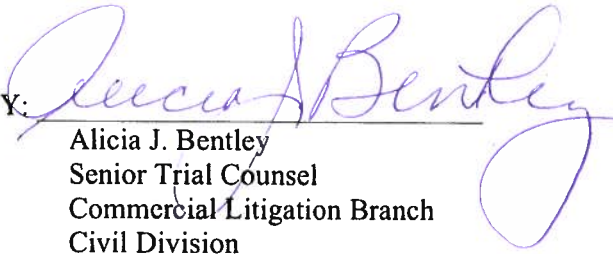
14. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

15. This Agreement is binding on Prysmian Cables' 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 signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 7/23/2024 BY: 
Alicia J. Bentley
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

PRYSMIAN CABLES & SYSTEMS USA, LLC

DATED: JULY 22, 2024 BY: 
Robert Hust
Vice President Legal & Corporate Affairs
General Counsel
Prysmian Cables & Systems USA, LLC

DATED: July 22, 2024 BY: 
Douglas W. Baruch
Jennifer M. Wollenberg
Morgan Lewis & Bockius LLP
Counsel for Prysmian Cables & Systems USA, LLC