

SETTLEMENT AGREEMENT

This Settlement Agreement (“the 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 Justice, the Department of Health and Human Services, the Department of Veterans Affairs, the National Aeronautics and Space Administration, the Departments of the Army, Navy, and Air Force, the Defense Logistics Agency, the Department of the Interior, the Smithsonian Institution, the Department of Energy, the Department of Commerce, the Department of Homeland Security, and the Department of Agriculture (collectively the "United States"), Illumina, Inc. (“Illumina”), and Erica Lenore (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Illumina, a Delaware corporation with its principal place of business in the State of California, manufactured and sold genomic sequencing systems throughout the United States, including in the District of Rhode Island and including under contracts with agencies of the United States.

B. On September 8, 2023, Erica Lenore filed a qui tam action in the United States District Court for the District of Rhode Island captioned *United States ex rel. Lenore v. Illumina, Inc.*, 23-cv-00372-MSM, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (“the Civil Action”).

C. During the period from February 24, 2016 through September 28, 2023, Illumina submitted, or caused to be submitted, claims to the Department of Justice, the

Department of Health and Human Services, the Department of Veterans Affairs, the National Aeronautics and Space Administration, the Departments of the Army, Navy, and Air Force, the Department of the Interior, the Smithsonian Institution, the Department of Energy, the Department of Commerce, the Department of Homeland Security, and the Department of Agriculture (hereafter collectively “the Agencies”) for payment for the purchase of the MiSeq Dx, MiSeq, NextSeq 500, NextSeq 550, NextSeq 550Dx, iScan, iSeq 100, MiniSeq, NextSeq 1000, and NextSeq 2000 which operated with Local Run Manager (LRM) and/or Universal Copy Service (UCS) software (hereafter collectively “the Genomic Sequencing Systems”).

D. The United States contends that, during the period February 24, 2016 through September 28, 2023, Illumina submitted, or caused to be submitted, false claims to the Agencies for the Genomic Sequencing Systems. The United States contends that the claims to the Agencies were false, regardless of whether any actual cybersecurity breaches occurred, because the LRM and UCS software had cybersecurity vulnerabilities, and Illumina did not have an adequate product security program and sufficient quality systems to identify and address cybersecurity vulnerabilities affecting the LRM and UCS software. Specifically, the United States contends that the claims were false because Illumina knowingly failed to incorporate product cybersecurity in its software design, development, installation, and on-market monitoring; failed to properly support and resource personnel, systems, and processes tasked with product security; failed to adequately correct design features that introduced cybersecurity vulnerabilities in the Genomic Sequencing Systems; and falsely represented that the LRM and UCS software on the Genomic Sequencing Systems adhered to cybersecurity standards, including

standards of the International Organization for Standardization and National Institute of Standards and Technology. The conduct set forth in Paragraph D is referred to below as “the Covered Conduct.”

E. Illumina denies the United States’ allegations in Paragraph D and denies all liability in connection with the Civil Action.

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

G. 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.

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. Illumina shall pay to the United States \$9.8 million dollars plus interest at 4.33% from March 6, 2025 until the date of payment (Settlement Amount), of which \$4.3 million dollars is restitution, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney for the District of Rhode Island no later than 10 days after the Effective Date of this Agreement.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$1.9 million to Relator by electronic funds transfer (Relator’s Share).

3. Relator and Illumina have entered into a separate agreement relating to Relator's claims under 31 U.S.C. § 3730(h) and 31 U.S.C. § 3730(d) in connection with the Civil Action.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, including interest due under Paragraph 1, the United States releases Illumina 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.

5. Subject to the exceptions in Paragraph 6 below, and upon the United States' receipt of the Settlement Amount including interest due under Paragraph 1, Relator, for herself and her heirs, successors, attorneys, agents, and assigns, releases Illumina 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 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.

6. Notwithstanding the releases given in Paragraph 4 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 the 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.

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

8. Relator, for herself, and for her heirs, successors, attorneys, agents, and assigns, releases Illumina together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporates successors and assigns of any of them 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.

9. Illumina waives and shall not assert any defenses Illumina 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.

10. Illumina 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 Illumina 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 or the United States' investigation or prosecution thereof.

11. Illumina fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that

Illumina has asserted, could have asserted, or may assert in the future against the Relator, related to the qui tam case and the Relator's investigation and prosecution thereof.

12. 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 Illumina, 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) Illumina'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 Illumina makes to the United States pursuant to this Agreement and any payments that Illumina 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 will be separately determined and accounted for by Illumina, and Illumina 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, Illumina shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Illumina or any of its subsidiaries from the United States. Illumina agrees that the United States, at a minimum, shall be entitled to recoup from Illumina 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 Illumina's books and records and to disagree with any calculations submitted by Illumina or any of its subsidiaries regarding any Unallowable Costs included in payments previously sought by Illumina, or the effect of any such Unallowable Costs on the amount of such payments.

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

14. Upon receipt of the Settlement Amount, above, the United States and the Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1), in the form attached as Exhibit A.

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

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

17. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United

States District Court for the District of Rhode Island. 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.

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

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

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

21. This Agreement is binding on Illumina's successors, transferees, heirs, and assigns.

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

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

24. 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.

[SIGNATURE PAGES FOLLOW]

THE UNITED STATES OF AMERICA

DATED: 7/22/25

BY: 
Erin Colleran
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 7/22/25

BY: *Sara Miron Bloom*
Sara M. Bloom
Acting United States Attorney
District of Rhode Island

ILLUMINA - DEFENDANT

18-Jul-2025

DATED: _____

BY: _____

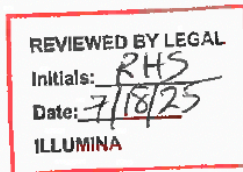
Ankur Dhingra
Ankur Dhingra, Chief Financial Officer
Illumina, Inc.

Electronically signed by:
Ankur Dhingra
Reason: Approver
Date: Jul 18, 2025 17:13
PDT

DATED: _____

BY: _____

Jeff Layne
Ben Koplin
Sarah Thompson Schick
Ryan Pate
Reed Smith LLP
Counsel for Illumina, Inc.



ILLUMINA - DEFENDANT

DATED: _____

BY: _____
Ankur Dhingra, Chief Financial Officer
Illumina, Inc.

DATED: July 21, 2025

BY: 

Jeff Layne
Ben Koplin
Sarah Thompson Schick
Ryan Pate
Reed Smith LLP
Counsel for Illumina, Inc.

ERICA LENORE - RELATOR

DATED: Jul 17, 2025

BY:


box SIGN 4P5PVL3K-19QY3QXZ
Erica Lenore

7/17/2025
DATED: _____

BY: _____


Renée Brooker
Eva Gunasekera
Tycko & Zavareei LLP
Counsel for Relator Erica Lenore

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

Defendant.

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Case No. 1:23-cv-00372-MSM

Pursuant to Rule 41(a)(1) of the Federal Rules of Civil Procedure, and in accordance with the terms and conditions of the July [x], 2025 Settlement Agreement among the parties in the above-captioned matter, the United States of America (the “United States”) and the Relator Erica Lenore (“Relator”) hereby stipulate to the entry of an order dismissing this action in its entirety. This dismissal is with prejudice as to Relator; with prejudice as to the United States for the Covered Conduct as defined in Recital Paragraph D of the Settlement Agreement; and without prejudice as to the United States for any other claims. Pursuant to 31 U.S.C. § 3730(b)(1), and in the interests of justice, the Attorney General of the United States, through the undersigned attorney, hereby consents to dismissal of this action.