

## 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 the Air Force and the Department of the Navy (collectively the “United States”), and Teledyne RISI, Inc. d/b/a Teledyne Electronic Safety Products (“Teledyne ESP”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. Teledyne ESP is a California corporation with a place of business at 19735 Dearborn Street, Chatsworth, California 91311.

B. The United States contends that it has certain civil claims against Teledyne ESP arising from allegations that Teledyne ESP, as a subcontractor for U.S. Navy contracts, knowingly caused false claims to be submitted to the U.S. Navy in connection with electronic modules it manufactured for the Digital Recovery Sequencer (“DRS”) units that were a component of Advanced Concept Ejection Seat (“ACES”) II. Specifically, the United States alleges that:

- i. Teledyne manufactured electronic modules for 216 DRS units that a prime contractor delivered to the Navy between November 2011 and June 2012 for use in ejection seat systems for several types of military aircraft. The serial numbers for these 216 DRS modules manufactured by Teledyne ESP are listed in Appendix A;
- ii. Teledyne ESP obtained some of the parallel flashes used to assemble DRS modules listed in Appendix A from a third-party broker, Solid Components, Inc. of

Jamestown, California, which was neither an Original Equipment Manufacturer (“OEM”) nor an authorized re-seller of parallel flashes;

- iii. By 2011, parallel flashes were an obsolete part the OEM no longer manufactured;
- iv. Parallel flashes contain the firmware that controls the DRS and interacts with other components within the DRS to facilitate an ejection of the seat from an aircraft;
- v. Teledyne ESP installed parallel flashes obtained from Solid Components in electronic modules it manufactured for some number of the 216 DRS modules listed in Appendix A; and
- vi. The parallel flashes obtained from Solid Components did not conform with the specifications for the DRS that were reviewed and approved by the Navy.

C. Teledyne ESP cooperated with the United States’s investigation in several respects, including by: identifying individuals involved in or responsible for the issues under investigation and facilitating interviews of those witnesses; preserving, collecting, and disclosing relevant documents and information relating to the issues under investigation; disclosing facts gathered during its independent investigation, with attribution of the facts to specific sources; agreeing to toll statutes of limitation applicable to the United States’ investigation; providing updates on its investigation through the Government-Industry Data Exchange Program and through direct communications to its customers; and providing regular updates to the United States regarding Teledyne ESP’s independent investigation, including rolling disclosures of relevant information.

Teledyne ESP received credit under the United States Department of Justice’s guidelines in Justice Manual § 4-4.112 for taking cooperation into account in cases involving False Claims Act allegations.

D. For purposes of this Settlement Agreement, the conduct alleged in Recital Paragraph B (including all subparts of Paragraph B) above is referred to hereafter as the “Covered Conduct.”

E. Teledyne ESP expressly denies the Covered Conduct allegations in Recital Paragraph B (including all subparts of Paragraph B).

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

G. 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. Teledyne ESP shall pay to the United States one million five hundred twenty eight thousand eight hundred thirty two dollars and 00/100 cents (**\$1,528,832.00**) (the “Settlement Amount”), by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the Department of Justice no later than ten (10) business 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 Teledyne ESP 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; and/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 personal injury or property damage or for other consequential damages arising from the Covered Conduct.

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

7. This Agreement is intended to be for the benefit of the Parties only; and, except as set forth in Paragraphs 2 and 5 of this Agreement, the Parties do not release any claims against any other person or entity.

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

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

10. 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 South Carolina. 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.

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

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

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

14. This Agreement is binding on Teledyne ESP's successors, transferees, heirs, and assigns.

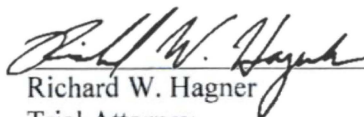
15. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

16. 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: Dec 22, 2025

BY:

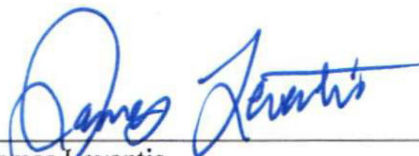


Richard W. Hagner  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
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175 N Street, NE, 10th floor  
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DATED:

12/22/25

BY:



James Leventis  
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U.S. Attorney's Office for  
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TELEDYNE RISI, INC. d/b/a TELEDYNE ELECTRONIC SAFETY PRODUCTS

DATED: Dec. 22, 2025

BY:



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Washington, DC 20006-3606

DATED: 12/22/2025 BY:



Melanie S. Cibik  
Teledyne RISI, Inc., d/b/a  
Teledyne Electronic Safety Products  
Executive Vice President, General Counsel,  
Chief Compliance Officer and Secretary  
19735 Dearborn Street  
Chatsworth, CA 91311

APPENDIX A – List of Teledyne ESP DRS Electronic Module Serial Numbers

- 4742
- 4745
- 4758
- 4778
- 4783
- 4790
- 4791
- 4796-4810
- 4811
- 4812-4816
- 4817-4820
- 4827
- 4828
- 4833-4919
- 4920
- 4921-4926
- 4927
- 4928-4939
- 4940-4956
- 4957
- 4958
- 4959
- 4960 – 4967
- 4968-4977
- 4978
- 4980
- 4981
- 4982-5004
- 5005-5010
- 5029
- 5037
- 5129
- 5137
- 5155