

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 United States Department of Defense (collectively the “United States”), Honeywell Aerospace Inc. (“Honeywell Aerospace”), and [REDACTED] (hereinafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Honeywell Aerospace is a corporation headquartered in Phoenix, Arizona that provides aerospace products and solutions to government and commercial customers. Prior to June 29, 2026, when Honeywell Aerospace became a standalone public company, it was a business segment of Honeywell International Inc. (“Honeywell International”), a Charlotte, North Carolina based company.

B. On March 25, 2022, [REDACTED] filed a *qui tam* action in the United States District Court for the Western District of North Carolina captioned *United States ex rel. [REDACTED] v. Honeywell International, Inc.*, 3:22-cv-129-FDW, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). Honeywell Aerospace is the successor to the rights, claims, defenses and liabilities of Honeywell International with respect to the Civil Action and the Covered Conduct (as defined in Paragraph F below).

C. As used in this Agreement, the term “DFARS 252.204-7012” means Defense Federal Acquisition Regulation Supplement clause 252.204-7012 (“Safeguarding Covered Defense Information and Cyber Incident Reporting”).

D. As used in this Agreement, the term “NIST SP 800-171” means National Institute of Technology and Standards Special Publication 800-171.

E. As used in this Agreement, the term “Contract” means the Contract identified in the August 18, 2026, letter from the United States Department of Justice to the law firm of Arnold & Porter Kaye Scholer LLP.

F. The United States contends that it has certain civil claims against Honeywell Aerospace arising from the knowing submission of false claims for payment during the period April 1, 2020, through December 31, 2023, under the Contract resulting from Honeywell Aerospace not complying with NIST SP 800-171 with respect to Honeywell Aerospace’s Grey Network and Gold Network, as required by DFARS 252.204-7012 and by the Contract. That conduct is referred to below as the Covered Conduct.

G. This Settlement Agreement is neither an admission of liability by Honeywell Aerospace or its predecessor Honeywell International, nor a concession by the United States that its claims are not well founded.

H. 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. Honeywell Aerospace shall pay to the United States two million, forty-two thousand, five hundred eighteen dollars and eighty cents (\$2,042,518.80) (“Settlement Amount”), of which nine hundred and seventy-two thousand, six hundred twenty-eight dollars (\$972,628.00) 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. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$375,823.46 to Relator by electronic funds transfer (Relator's Share).

3. Honeywell Aerospace and Relator agree that Honeywell Aerospace shall pay \$350,000 to Relator to fully and finally resolve Relator's claim for reasonable expenses, attorneys' fees and costs under 31 U.S.C. § 3730(d), by electronic funds transfer no later than 30 days after the Effective Date of this Agreement pursuant to written instructions to be provided by Relator's counsel.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Honeywell Aerospace, together with its current and former parent corporations, (including, without limitation, Honeywell International), and its and their direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns, 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 Administrative False Claims 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, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Honeywell Aerospace, together with its current and former parent corporations, (including, without limitation, Honeywell International), and its and their direct

and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns, from any claim Relator asserted, could have asserted, or may assert in the future against Honeywell Aerospace or Honeywell International, within the Civil Action, related to any of the alleged conduct forming the basis of any of the allegations within the Civil Action, or related to Relator's employment with Honeywell Aerospace or Honeywell International. For avoidance of doubt, this release encompasses, without limitation, claims under all provisions of the False Claims Act, including its anti-retaliation provisions, 31 U.S.C. § 3730(h), as well as claims under Minn. Stat. § 81.932.

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 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 and 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.

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. Honeywell Aerospace waives and shall not assert any defenses Honeywell Aerospace 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.

9. Honeywell Aerospace, together with its current and former parent corporations, (including, without limitation, Honeywell International), and its and their direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns, 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 Honeywell Aerospace or Honeywell International 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.

10. Honeywell Aerospace, together with its current and former parent corporations, (including, without limitation, Honeywell International), and its and their direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns, fully and finally releases Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Honeywell Aerospace or Honeywell International has asserted, could have asserted, or may assert in the future against Relator related to the Civil Action, Relator's investigation and prosecution thereof, or Relator's employment with Honeywell International.

11. 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 Honeywell Aerospace, its predecessor Honeywell International, 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) the 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 Honeywell Aerospace makes to the United States pursuant to this Agreement and any payments that Honeywell Aerospace 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 Honeywell Aerospace, and Honeywell Aerospace 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, Honeywell Aerospace shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Honeywell Aerospace, by Honeywell International during the time period in which Honeywell Aerospace was a business segment thereof, or any of its subsidiaries or affiliates from the United States. Honeywell Aerospace agrees that the United States, at a minimum, shall be entitled to recoup from Honeywell Aerospace 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 Honeywell Aerospace's books and records and to disagree with any calculations submitted by Honeywell Aerospace or any of its subsidiaries or affiliates regarding any Unallowable Costs

included in payments previously sought by Honeywell Aerospace, or the effect of any such Unallowable Costs on the amount of such payments.

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

13. Upon receipt of the payment described in Paragraph 1, above, the Parties to the Civil Action shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1) dismissing Relator's *qui tam* allegations against Defendant. The stipulation of dismissal shall state that the Civil Action is being dismissed subject to the terms of this Agreement, and that the Court retains jurisdiction over the parties to the extent necessary to enforce the terms and conditions of the Agreement. Dismissal shall be with prejudice to the Relator and with prejudice to the United States to the extent of the Covered Conduct, but otherwise without prejudice to the United States.

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

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

16. 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 Western District of North 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.

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

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

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

20. This Agreement is binding on Honeywell Aerospace's successors, transferees, heirs, and assigns.

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

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

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

THE UNITED STATES OF AMERICA

DATED: 8/18/26

BY: _____



Gregory Pearson
Senior Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____ BY: _____

Holly H. Snow
Assistant United States Attorney
Western District of North Carolina

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THE UNITED STATES OF AMERICA

DATED: _____ BY: _____
Gregory Pearson
Senior Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 8/18/26 BY: Holly H. Snow
Holly H. Snow
Assistant United States Attorney
Western District of North Carolina

HONEYWELL AEROSPACE INC. - DEFENDANT

DATED: 8/18/26 BY: Kate Zell for Victor Miller
Victor Miller
Deputy General Counsel and
Chief Compliance Officer
Honeywell Aerospace Inc.

DATED: August 18, 2026 BY: Tirzah S. Lollar
Tirzah S. Lollar
Counsel for Honeywell Aerospace Inc.

[REDACTED] - RELATOR

DATED: _____ BY: _____
[REDACTED]

DATED: _____ BY: _____
Renée Brooker
Tycko & Zavareei LLP
Counsel for [REDACTED]

HONEYWELL AEROSPACE INC. - DEFENDANT

DATED: _____ BY: _____

Victor Miller
Deputy General Counsel and
Chief Compliance Officer
Honeywell Aerospace Inc.

DATED: _____ BY: _____

Tirzah S. Lollar
Counsel for Honeywell Aerospace Inc.

_____- RELATOR

DATED: Aug 18, 2026 BY: _____



DATED: 8/18/2026 BY: Renée Brooker

Renée Brooker
Tycko & Zavareei LLP
Counsel for _____