

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among (1) the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of the Navy (collectively the “United States”), (2) The Boeing Company (“Boeing”), and (3) relators Robert C. Roath, Richard Faucher, and Thomas Shaffer (“Relators”) (hereafter collectively referred to as the “Parties”), through their authorized representatives.

RECITALS

A. Boeing is an American multinational corporation that designs, manufactures, and sells airplanes, rotorcraft, rockets, satellites, telecommunications equipment, and missiles worldwide. Boeing contracts with the United States to manufacture and deliver to the United States Department of Defense Osprey V-22 aircraft. The Osprey V-22 is a hybrid aircraft with rotating propellers that allow it to take off and land like a helicopter and travel forward like an airplane.

B. On December 21, 2016, Relators filed a *qui tam* action in the United States District Court for the Eastern District of Pennsylvania captioned *United States ex rel. Robert C. Roath, Richard Faucher, and Thomas Shaffer v. The Boeing Company*, No. 16-cv-6547 (E.D. Pa.), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (“Civil Action”).

C. The United States contends that it has certain civil claims against Boeing arising from Boeing’s manufacture of Osprey V-22 aircraft during the period January 1, 2007, through December 31, 2018. Specifically, the United States contends that Boeing failed to comply with certain requirements in

Manufacturing Operation Instruction Free Air Cure Operating Plan, MOI 8-1951-02-04, V-22 Composite Details and Assemblies Cured per D210-12062-1. (Free Air Cure refers to a process for curing composite parts without the use of thermocouples monitoring temperatures in each part.) Specifically, the United States contends that Boeing: (a) failed to perform monthly temperature uniformity surveys on autoclaves used for Free Air Cure; (b) failed to collect and analyze temperature uniformity survey data on a monthly basis; (c) failed to verify that calibration and certification tags on autoclaves used for Free Air Cure were current on a monthly basis; (d) failed to memorialize quality assurance inspections on *Table II – Quality Inspection Checklist for V-22 Autoclave Cured Parts*, and maintain such documentation of inspections; (e) failed to direct random surveillance of autoclave processes for compliance with Free Air Cure manufacturing specifications; and (f) failed to use appropriate thermocouples to perform monthly temperature surveys on autoclaves used for Free Air Cure. This conduct is referred to below as the Covered Conduct.

D. The United States intends to intervene in the Civil Action for purposes of settlement.

E. This Settlement Agreement is neither an admission of liability by Boeing nor a concession by the United States that its claims are not well founded. Boeing denies the allegations in paragraphs B and C.

F. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relators' 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. Boeing shall pay to the United States Eight Million One Hundred Thousand Dollars (\$8,100,000) (“Settlement Amount”), and interest on the Settlement Amount at a rate of 5.38 percent per annum from September 5, 2023 (of which One Million Eight Hundred Fifty-Two Thousand Six Hundred Forty Dollars (\$1,852,640.00) is restitution), by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the Eastern District of Pennsylvania, no later than fifteen (15) business 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 One Million Five Hundred Thirty-Nine Thousand Dollars (\$1,539,000), plus 19 percent of accrued interest paid by Boeing, to Flamm Walton Heimbach for the benefit of the Relators by electronic funds transfer (“Relators’ Share”). Undersigned counsel for the Relators shall distribute the Relators’ Share to the Relators as agreed by the Relators.

3. Boeing shall pay Relators’ attorneys a total of One Million One Hundred-Nine Thousand Six Hundred Seventy-Eight Dollars (\$1,109,678) for attorneys’ fees and costs (“Attorney’s Fees and Costs”), as follows:

- a. Seven Hundred Seventy-Three Thousand Three Hundred Forty-One Dollars (\$773,341.00) in fees and Three Thousand Three Hundred Thirty-Seven Dollars (\$3,337.00) in costs to Flamm Walton Heimbach; and
- b. Three Hundred Thirty Thousand Dollars (\$330,000.00) in fees and Three Thousand Dollars (\$3,000) in costs to Mancano Law.

Boeing's payment of Attorney's Fees and Costs shall be made by electronic funds transfer pursuant to written instructions to be provided by Relators' Counsel no later than fifteen (15) business days after the Effective Date of this Agreement.

4. Subject to the exceptions in paragraph no. 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, plus interest due under paragraph no. 1, the United States releases Boeing from any civil 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 USC §§ 7101-7109; and the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in paragraph no. 6 below, and upon the United States' receipt of the Settlement Amount, plus interest due under paragraph no. 1, Relators, for themselves and their respective heirs, successors, attorneys, agents, and assigns, release Boeing from any civil monetary claims Relators have on behalf of the United States for the Covered Conduct under the

False Claims Act, 31 U.S.C. §§ 3729-3733, and from any liability to Relators arising from the filing of the Civil Action, including claims for attorneys' fees and costs as provided for under 31 U.S.C. § 3730(d)(1), and claims for retaliation under 31 U.S.C. § 3730(h).

6. Notwithstanding the releases given in paragraph no. 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 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; and

- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Relators and their respective 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 Relators' receipt of the Relators' Share, Relators and their respective 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. Boeing waives and shall not assert any defenses Boeing 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. Boeing 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 Boeing 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. Boeing for itself, its successors, attorneys, agents, and assigns, fully and finally releases the Relators from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Boeing has asserted, could have asserted, or may assert in the future against the Relators, related to the Covered Conduct and the Relators' investigation and prosecution thereof.

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 Boeing, 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) Boeing'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 Boeing makes to the United States pursuant to this Agreement and any payments that

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

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

13. Upon receipt of the payments described in paragraph nos. 1 and 3, above, the United States and Relators as necessary shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal with Prejudice of the Civil Action (including for Relators' claims for attorneys' fees and costs under 31 U.S.C. § 3730(d)(1), and claims asserted by Relators for retaliation under 31 U.S.C. § 3730(h)), pursuant to Rule 41(a)(1).

14. Boeing and the United States shall bear their own legal fees 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 Eastern District of Pennsylvania. 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 Boeing's successors, transferees, heirs, and assigns.

21. This Agreement is binding on Relators' respective successors, transferees, heirs, and assigns.

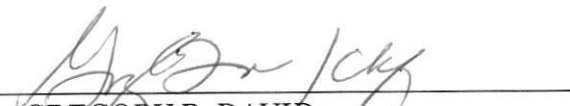
22. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

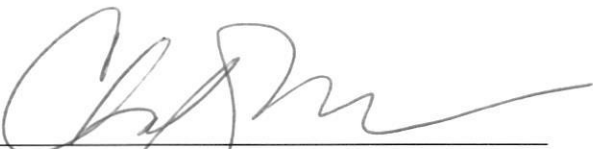
23. This Agreement is effective on the date of signature of the last signatory to the Agreement (the "Effective Date"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[#### Signatures follow ####]


UNITED STATES OF AMERICA

DATED: 9/27/23 BY: 
JACQUELINE C. ROMERO
United States Attorney

DATED: 9/27/23 BY: 
GREGORY B. DAVID
Chief, Civil Division
Assistant United States Attorney

DATED: 9/27/23 BY: 
CHARLENE KELLER FULLMER
Deputy Chief, Civil Division
Assistant United States Attorney

DATED: 9/27/23 BY: 
JOEL M. SWEET
Assistant United States Attorney

DATED: 9/27/23 BY: 
DAVID A. DEGNAN
Assistant United States Attorney
United States Attorney's Office for the
Eastern District of Pennsylvania
615 Chestnut Street, Suite 1250
Philadelphia, PA 19106

DATED: _____ BY: _____
AMY LIKOFF
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

Counsel for United States of America

THE BOEING COMPANY

DATED: _____ BY: _____
THOMAS J. ROBERTS
Chief Counsel, Boeing Defense, Space & Security


DATED: _____ BY: _____
ZANE DAVID MEMEGER
TINOS DIAMANTATOS
KARL SCHWEITZER
Morgan, Lewis & Bockius LLP

Counsel for The Boeing Company

DATED: _____ BY: _____
CHARLENE KELLER FULLMER
Deputy Chief, Civil Division
Assistant United States Attorney


DATED: _____ BY: _____
JOEL M. SWEET
Assistant United States Attorney

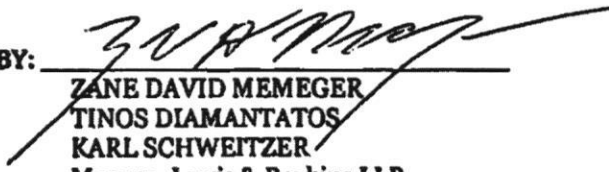
DATED: _____ BY: _____
DAVID A. DEGNAN
Assistant United States Attorney
United States Attorney's Office for the
Eastern District of Pennsylvania
615 Chestnut Street, Suite 1250
Philadelphia, PA 19106

DATED: 9/27/2023 BY: 
AMY LIKOFF
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

Counsel for United States of America

THE BOEING COMPANY

DATED: 9/27/23 BY: 
THOMAS J. ROBERTS
Chief Counsel, Boeing Defense, Space & Security

DATED: 9/27/23 BY: 
ZANE DAVID MEMEGER
TINOS DIAMANTATOS
KARL SCHWEITZER
Morgan, Lewis & Bockius LLP

Counsel for The Boeing Company

RELATORS

DATED: 9/26/23 BY: [Signature]
ROBERT C. ROATH

DATED: 9/26/23 BY: [Signature]
RICHARD FAUCHER

DATED: 9/26/23 BY: [Signature]
THOMAS SHAFFER

Relators

DATED: 9/24/25 BY: [Signature]
JOSEPH D. MANCANO

DATED: 9-24-25 BY: [Signature]
F. EMMETT FITZPATRICK, III

Counsel for Relators