SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among the United States of America, acting through the United States Department of Justice; Deloitte LLP, Deloitte Consulting LLP, Deloitte & Touche LLP, Deloitte Financial Advisory Services LLP, and Deloitte Transactions and Business Analytics LLP (collectively, "Deloitte"); and the American Alliance for Equal Rights ("Relator"), (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Deloitte is a professional services firm with its U.S. headquarters in New York, New York. Deloitte (other than Deloitte LLP) provides services to the United States through contracts with various federal agencies.

B. On April 25, 2025, Relator filed a *qui tam* action in the United States District Court for the Northern District of Texas captioned *United States ex rel. American Alliance for Equal Rights v. Deloitte LLP, et. al.*, Case No. 4:25-CV-458-O, in part, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action").

C. The United States contends that it has certain civil claims against Deloitte arising from what the United States contends was Deloitte's knowing submission of false claims and knowing false statements to the United States as follows: as a federal contractor, Deloitte was required to comply with anti-discrimination requirements as set forth in Title VII of the Civil Rights Act of 1964, as incorporated into its federal contracts, and the Federal Acquisition Regulation, including at FAR clause 52.222-26. The United States contends Deloitte certified compliance in its federal contracts with these requirements and publicly represented that it was complying while knowingly maintaining practices described below that the United States contends discriminated against employees during employment and applicants for employment because of race or sex, and failed to treat employees during employment without regard to race or sex. In addition, the United States contends Deloitte allocated costs to its federal government contracts relating to these practices and sought payment and reimbursement under its federal government contracts for such costs. During the period from January 1, 2017, through the Effective Date of this Agreement, the United States contends the practices included:

1. Taking race or sex into account when making hiring, promotion, and staffing decisions to achieve progress towards non-public race and sex-based workforce composition goals for business units. Employees sometimes described the business unit goals as "aggressive," and certain managers were asked to "make[] a commitment" to achieve the goals. These goals were established to "demonstrate [Deloitte's] commitment to putting [Black and Hispanic/Latinx] cohorts first," and in some instances, Deloitte recognized that the goals, if achieved, would result in a reduction in the representation of certain other racial groups. Business units within Deloitte received monthly summaries tracking the demographic goals within the unit, where representation or advancement towards the goal was highlighted in green, yellow, or red depending on whether the goal was exceeded, met or slightly missed, or significantly below the goal.

- Deloitte's Partners, Principals and Managing Directors (PPMDs) were evaluated, in part, based on their contributions to helping Deloitte achieve its workforce composition goals, while, for a two year period, approximately 150 of Deloitte's most senior PPMDs' compensation could be impacted if their business units did not meet the demographic goals set by Deloitte. These PPMDs stood to lose tens of thousands of dollars per year based on whether their business units hit the demographic thresholds Deloitte set for them. In evaluating themselves against Deloitte's demographic goals during the year end evaluation and compensation process, some PPMDs cited as evidence of their high level performance, among other factors, "increas[ing] the total number of Black professionals by at least 11 and Hispanic/Latinx professions by at least 31 in the West region," reaching "45 percent female experienced hires," or achieving "100% female MD promotes."
- The goals were intended to impact Deloitte's hiring decisions, as leaders of Deloitte's National DEI Office, which set the aspirational goals, noted in internal communications that the goals were "intended to drive behavior change."
- The goals were also intended to impact Deloitte's promotion decisions, as business units were also assigned goals for racial and sex make up of their yearly PPMD classes. Beyond setting and tracking demographic goals for PPMD classes, Deloitte also took

race or sex into account when making decisions to promote Deloitte employees to PPMD level via other means. For example, where a class of PPMD candidates initially met Deloitte's demographic goals, Deloitte identified candidates by race and sex in a spreadsheet circulating the list of PPMD candidates, and suggested the individuals involved in selecting the PPMD candidates to "watch this list carefully during the down select process and try to equitably maintain the current mix." Further, In February 2021, Deloitte encouraged its staff to "continue taking intentional action" to increase the number of "Black, 2+ Races, and Hispanic/Latinx professionals" promoted to PPMD. To that end, in 2020, the Deloitte Consulting DEI leader asked the leaders of Deloitte Consulting whether any diverse PPMD candidates could "be accelerated" and asked the business leaders to identify "1-2 candidates that you would propose to meet the aspirational goal."

- Deloitte set goals pertaining to the demographics of employees staffed to federal contracts, and sought to make statistically equal the percentage of Deloitte identified Under Represented Minorities (URMs) and non-URMs who were understaffed or "on the bench." Via the Priority Staffing Report, Deloitte identified employees by race and sex that were available to be staffed on projects and provided names of those employees to staffing managers and suggested that the managers consider staffing those employees, whose utilization would help Deloitte achieve its goal of achieving parity between the percentage of URMs and non-URMs who were understaffed or "on the bench." Deloitte considered addressing underutilization of certain demographics as a "lever" to use to achieve its aspirational demographic goals and used it to reduce the differential between URMs and non-URMs staffed to federal contracts.

2. Offering certain training, mentoring and leadership development programs, educational opportunities or resources, and/or similar opportunities to eligible employees on the basis of race or sex. For example, Deloitte ran the Springboard and Compass programs, where eligibility to participate was limited on the basis of race and sex. These programs were designed to boost the career prospects of these individuals over others through sponsorship and networking. Participants in these programs received "help[] mak[ing] connections to influential network members," and the programs were intended to "transform their career." The participants were assigned Sponsors who were instructed to "publicly advocate for a promotion or leadership role" for their assigned program participant. Deloitte internally advertised the benefits of Sponsorship, writing that "sponsorship can improve the chances of more stretch assignments, more promotions, and pay raises by up to 30%."

The conduct described in this Paragraph C is referred to below as the Covered Conduct.

D. Deloitte has been credited in this settlement agreement under the Department's Guidelines for Taking Disclosure, Cooperation and Remediation into Account in False Claims Act Matters, Justice Manual Section 4-4.112 for cooperation provided by Deloitte.

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

F. Deloitte denies that it engaged in the Covered Conduct and denies the allegations in the Civil Action.

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.

H. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, in lieu of the initiation of proceedings by the United States for the Covered Conduct and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Deloitte shall pay to the United States $21,500,000, inclusive of civil penalties ("Settlement Amount") and interest on the Settlement Amount at a rate of 4% per annum from August 11, 2026. Of that amount, $9,995,000 is restitution. The Settlement Amount shall be paid by electronic funds transfer pursuant to written instructions to be provided by 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 $4,300,000 to Relator by electronic funds transfer ("Relator's Share").

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Deloitte, together with its current and former parent entities; direct and indirect subsidiaries; brother or sister entities; divisions; affiliates; current or former partnership owners (excluding individuals); any Deloitte Global entities and member firms in the Deloitte Global Network; and the partnership successors and assigns of any of them, from any civil claim 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; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 5 below, and upon the United States' receipt of the Settlement Amount, Relator, for itself and for its corporate owners, corporate heirs, corporate successors, board members, officers, attorneys, agents, corporate assigns, and Member A releases Deloitte and all of Deloitte's respective past, present and future parent entities, subsidiaries, affiliates, divisions, any Deloitte Global Entities and related entities and member firms in the Deloitte Global network, joint venturers, subcontractors, agents, attorneys, insurers, subrogees, co-insurers and reinsurers, all their respective, past, present and future officers, directors, employees, members, partners, principals, shareholders and owners, and all their respective heirs, executors, administrators, personal representatives, predecessors, successors, transferees

and assigns (collectively "Deloitte Releasees") from any and all claims, actions, causes of action, rights, damages, costs, or other expenses and compensation of any nature whatsoever under any theory of recovery, that it has the authority to release, including but not limited to 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. Relator further represents and warrants that neither Relator, Member A, nor anyone acting on Relator's behalf, at its direction, or represented by its attorneys has filed any claims, complaints, or charges other than the Civil Action against the Deloitte Releasees concerning the Covered Conduct or the allegations in the Civil Action with any local, state, or federal court or agency. Relator additionally represents and warrants that neither Relator, Member A, nor anyone acting on Relator's behalf, at its direction, or represented by its attorneys has assigned or transferred to any person or entity any claims, or any part or portion thereof, against the Deloitte Releasees. Relator agrees that neither Relator, Member A, nor anyone acting on its behalf, at its direction or represented by its attorneys will hereafter pursue any released claim against the Deloitte Releasees by filing a lawsuit in any local, state, or federal court arising in whole or in part from the Covered Conduct or any other matter alleged in the Civil Action.

5. Notwithstanding the releases given in Paragraph 3 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 currently pending or future charges filed with the Equal Employment Opportunity Commission (EEOC); specifically, nothing in this Agreement affects the EEOC's right to bring, process, investigate, litigate, or seek relief in any pending or future charge against Deloitte, (regardless of whether said charge was or is filed by an individual charging party, an EEOC Commissioner, or a third party), in accordance with standard EEOC procedures. This includes charges which may allege the same covered conduct described in this Agreement.

e. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

f. Any liability based upon obligations created by this Agreement;

g. Any liability of individuals.

6. Relator and its corporate owners, board members, officers, corporate heirs, corporate successors, attorneys, agents, corporate assigns and Member A 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, its corporate owners, board members, officers, corporate heirs, corporate successors, attorneys, agents,

corporate assigns, and Member A 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.

7. Deloitte waives and shall not assert any defenses Deloitte 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.

8. Deloitte 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 Deloitte 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.

9. Deloitte fully and finally releases Relator, its corporate owners, corporate heirs, corporate successors, corporate assigns, its agents, its attorneys, and Member A from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Deloitte has asserted, could have asserted, or may assert in the future against Relator, its corporate owners, corporate heirs, corporate successors, corporate assigns, its agents, its attorneys, and Member A, related to the Covered

Conduct, the allegations in the Civil Action, and the United States' investigation or prosecution thereof.

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

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

12. Upon receipt of the payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1) stipulating to the dismissal (a) with prejudice to the United States of the claims arising from the Covered Conduct, (b) without prejudice to the United States of all remaining claims, and (c) with prejudice to Relator of all claims in the Civil Action that Relator has authority to release.

13. Within three days of the Effective Date of this Agreement, Relator will disclose to Deloitte the identity of the individual identified as Member A in paragraph 21 of the Civil Action. Deloitte agrees to keep the identity of Member A confidential.

14. Neither Relator, its Member A, nor anyone acting on Relator's behalf, at its direction, or represented by its attorneys, including counsel, shall make any oral or written statement relating in any way to the Civil Action or the settlement of the Civil Action in news media or through any method of public dissemination, including without limitation print media, television, radio, social media, websites or the internet that is inconsistent with or goes beyond the language of this Agreement or other materials in the public record.

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 with the exception that the Relator and Deloitte have agreed to resolve the Relator's claim to entitlement under 31 U.S.C. § 3730(d) to Relator's reasonable expenses, attorneys' fees and costs, in a separate 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 Northern District of Texas. 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 Deloitte's successors, transferees, heirs, and assigns.

22. This Agreement is binding on Relator's successors, transferees, heirs, board directors and officers, assigns and its Member A.

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.

THE UNITED STATES OF AMERICA

DATED: 08.21.26 BY: ______________________

Stanley E. Woodward, Jr.
Associate Attorney General
United States Department of Justice

DATED: 8/20/26 BY: ______________________

Brett A. Shumate
Assistant Attorney General
Brenna E. Jenny
Deputy Assistant Attorney General

Patrick Klein
Christopher Reimer
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 8/20/2026 BY: ______________________

Ryan Raybould
United States Attorney
Brian W. Stoltz
Assistant United States Attorney
Northern District of Texas

DELOITTE LLP, DELOITTE CONSULTING LLP, DELOITTE & TOUCHE LLP, DELOITTE FINANCIAL ADVISORY SERVICES LLP, and DELOITTE TRANSACTIONS AND BUSINESS ANALYTICS LLP – DEFENDANTS

DATED: __________ BY: ______________________________
Benton J. Campbell
General Counsel

DATED: 8-20-26 BY: Eric Sitarchuk / JW
Eric W. Sitarchuk
Lisa C. Dykstra
John Lee
Counsel for Defendants

DELOITTE LLP, DELOITTE CONSULTING LLP, DELOITTE & TOUCHE LLP, DELOITTE FINANCIAL ADVISORY SERVICES LLP, and DELOITTE TRANSACTIONS AND BUSINESS ANALYTICS LLP – DEFENDANTS

DATED: 4/20/26 BY: ______________________________

Denton J. Campbell
General Counsel

DATED: __________BY: ______________________________

Eric W. Sitarchuk
Lisa C. Dykstra
John Lee
Counsel for Defendants

AMERICAN ALLIANCE FOR EQUAL RIGHTS – RELATOR

DATED: 8/20/26 BY: ______________________
Edward Jay Blum, President
American Alliance for Equal Rights

DATED: 8/20/26 BY: ______________________
Thomas R. McCarthy
Cameron T. Norris
Steven C. Begakis
Zachary P. Grouev
R. Gabriel Anderson
Counsel for Relator