SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the State of Indiana, acting through the Indiana Attorney General and Deloitte LLP and its subsidiaries Deloitte Consulting LLP, Deloitte & Touche LLP, Deloitte Financial Advisory Services LLP, and Deloitte Transactions and Business Analytics LLP (subsidiaries collectively referred to as "Deloitte Subsidiaries;" Deloitte LLP and Deloitte Subsidiaries collectively referred to as "Deloitte"); (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Deloitte Subsidiaries perform professional services for clients, including the federal government, Indiana, and other states. Deloitte Consulting LLP provides consulting services to clients, including state governments and the United States. Deloitte & Touche provides audit, assurance, and other advisory services to clients, including state governments and the United States. Deloitte Financial Advisory Services provides a variety of risk management and financial advisory services to clients, including state governments and the United States. Deloitte Financial Advisory Services provides such services to Indiana through another subsidiary, Deloitte Transactions and Business Analytics.

B. On April 25, 2025, the American Alliance for Equal Rights ("Relator") filed a *qui tam* action in the United States District Court for the Northern District of Texas captioned *United States et al. v. Deloitte LLP, et al,* Civil Action No. 4:25-CV-00458-O, pursuant to the *qui tam* provisions of the Indiana False Claims and

Whistleblower Protection Act, Indiana Code § 5-11-5.5-1 *et seq*, the Indiana Medicaid False Claims and Whistleblower Protection Act, Indiana Code § 5-11-5.7-1 *et seq*, and federal and state false claims acts (the Civil Action).

C. The State of Indiana asserts that it has certain civil claims against Deloitte arising from what Indiana contends was Deloitte's knowing submission of false claims and knowing false statements to the State of Indiana as follows:

- Between 2019 and 2026, the State of Indiana through its agencies entered into contracts with Deloitte. These contracts included the following:
    - Contract 0000000000000000000040795 (and amendments) between the Indiana Department of Child Services and Deloitte Consulting LLP;
    - Contract 0000000000000000000046222 between the Indiana Department of Workforce Development and Deloitte & Touche LLP;
    - Contract 0000000000000000000052607 (and amendment) between the Indiana Bureau of Motor Vehicles ("BMV") and Deloitte Consulting LLP;
    - Contract 0000000000000000000058556 (and amendments) between the BMV and Deloitte Consulting LLP;
    - Contract 0000000000000000000072918 (and amendment) between the BMV and Deloitte Consulting LLP;

- Contract 0000000000000000000058012 between the Indiana Department of Revenue and Deloitte & Touche LLP; and
- Contract 0000000000000000000085124 (and amendments) between the Indiana Department of Transportation and Deloitte Consulting LLP.

- As a state contractor, Deloitte was required to comply with anti-discrimination requirements. Each contract contained non-discrimination provisions substantively similar to the following:

  > Pursuant to the Indiana Civil Rights Law, specifically IC § 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Contractor covenants that it shall not discriminate against any employee or applicant for employment relating to this Contract with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Contractor certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services. Breach of this paragraph may be regarded as a material breach of this Contract . . . .
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  > The State is a recipient of federal funds, and therefore, where applicable, Contractor and any subcontractors shall comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246 as amended by Executive Order 13672.

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- Indiana contends Deloitte certified compliance in its state contracts with these requirements and publicly represented that it was complying while knowingly maintaining practices described below that discriminated against employees and applicants for employment on the basis of race or sex. In addition, Indiana contends that Deloitte failed to treat employees without regard to race or sex and allocated costs to its state government contracts relating to these practices and sought payment and reimbursement for such costs. During the period from January 1, 2017, through the Effective Date of this Agreement, the State 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 is referred to below as the "Covered Conduct."

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

E. The Indiana False Claims and Whistleblower Protection Act, Indiana Code § 5-11-5.5-1 *et seq*, provides in relevant part that, "[a] person who knowingly or intentionally: (1) presents a false claim to the state for payment or approval" or "makes or uses a false record or statement to obtain payment or approval of a false claim from the state" is liable to the State for a civil penalty of at least $5,0000 and for up to three times the amount of damages sustained by the State. Ind. Code § 5-11-5.5-2(b).

F. This Settlement Agreement is not an admission of liability by Deloitte or a concession by the State of Indiana that its claims are not well-founded.

G. Relator claims entitlement under Indiana Code §§ 5-11-5.5-6 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. Deloitte shall pay to the State of Indiana $1,200,000, no later than 30 days after the Effective Date of this Agreement. Deloitte shall make the payment by electronic funds transfer in accordance with written instructions to be provided by the State of Indiana.

2. Conditioned upon the State of Indiana receiving the Settlement Amount and as soon as feasible after receipt, the State of Indiana shall pay $240,000 to Relator by electronic funds transfer ("Relator's Share").

3. Subject to the exceptions below, and upon the State of Indiana's receipt of the Settlement Amount, the State of Indiana 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; any Deloitte Global Entities and related entities and member firms in the Deloitte Global network; and the partnership successors and assigns; directors, employees, members, partners, principals, shareholders and owners, (collectively "Deloitte Releasees") from any civil or administrative monetary claim, enforcement rights, suspension and debarment rights, and any claims Indiana has for the Covered Conduct under the Indiana False Claims and Whistleblower Protection Act, the Indiana Medicaid False Claims and Whistleblower Protection Act, or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Upon the State of Indiana's 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 (as referred to in the Civil Action) 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 State of Indiana for the Covered Conduct. 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. Subject to the Releases above, the following claims and rights of the State of Indiana are specifically reserved and are not released:

a. Any liability arising under Title 6 of the Indiana Code (Taxation);

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 state agency;

d. Any liability to the State of Indiana (or its agencies) for any conduct other than the Covered Conduct;

e. Any liability based upon obligations created by this Agreement; and

f. Any liability of individuals.

6. Relator and its 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 Indiana Code § 5-11-5.5-6. Conditioned upon Relator's receipt of the Relator's Share, Relator and its heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the State of Indiana, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under Indiana Code §§ 5-11-5.5-6 or 5-11-5.7-6 relating to the Civil Action, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action or for payment of expenses, attorney's fees, or costs.

7. Deloitte waives and shall not assert any defenses Deloitte may have to any criminal prosecution 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.

8. Deloitte fully and finally releases the State of Indiana, 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 State of Indiana, its agencies, officers, agents, employees, and servants, related to the Covered Conduct.

9. 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 State of Indiana's audit(s) and civil investigation(s) of the matters covered by this Agreement;

(3) the State of Indiana's investigation, defense, and corrective actions undertaken in response to the State of Indiana's 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 State of Indiana pursuant to this Agreement and any payments that Deloitte may make to Relator, including costs and attorney's 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 State of Indiana.

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 State of Indiana. Deloitte agrees that the State of Indiana, 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 State of Indiana 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.

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

11. Upon receipt of the payment described in Paragraph 1 above, the Parties shall promptly execute and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Federal Rule of Civil Procedure 41(a)(1), Ind. Code § 5-11-5.7-4(b) and Ind. Code § 5-11-5.5-4(b), stipulating to the dismissal with prejudice to the State of Indiana and to Relator of all claims in the Civil Action.

12. 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 Indiana Code § 5-11-5.5-6 in a separate agreement. Defendant and Relator agree that this amount represents reasonable expenses, attorney's fees, and costs for the Civil Action and that Indiana will not be liable for payment of any additional expenses, attorney's fees, and costs to the Relator.

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

14. This Agreement is governed by the laws of the United States and the State of Indiana. 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.

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

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

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

18. This Agreement is binding on Deloitte's successors, transferees, heirs, and assigns.

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

20. All parties consent to the State of Indiana's disclosure of this Agreement, and information about this Agreement, to the public.

21. 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 STATE OF INDIANA

DATED: August 20, 2026

Theodore E. Rokita
Indiana Attorney General

BY: /s/ *Blake E. Lanning*
Blake E. Lanning
Assistant Chief Deputy

BY: /s/ *Patricia Orloff Erdmann*
Patricia Orloff Erdmann
Chief Counsel of Litigation

BY:_ ____________________________
Jefferson S. Garn
Special Counsel – Litigation

BY: /s/ *Meredith McCutcheon*
Meredith McCutcheon
Deputy Attorney General

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

DATED: 5/21/26 BY: ______________________________
Benton J. Campbell
General Counsel

DATED: __________ BY: ______________________________
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: __________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

AMERICAN ALLIANCE FOR EQUAL RIGHTS – RELATOR

DATED: 8/20/2026 BY: ______________________________

Edward Blum
President, American Alliance for Equal Rights

DATED: 8/20/2026 BY: ______________________________

Thomas R. McCarthy
Cameron T. Norris
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