

## SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the General Services Administration (collectively the "United States") and Deloitte Consulting, LLP ("Deloitte") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

### RECITALS

A. On or about November 1, 2000, the General Services Administration (GSA) awarded Multiple Award Schedule (MAS) Contract GS-35F-0060L (the "Contract") to Deloitte. The Contract allowed Deloitte to provide Professional Information Technology Services (SIN 132-51) under Federal Acquisition Service Schedule 70. On or about July 28, 2006, the Contract was extended until November 6, 2010. The Contract was extended again until October 2012. The period from July 28, 2006 to October 2012 is defined as the "Contract Extension Period."

B. The United States contends it has certain civil claims against Deloitte for representing to GSA in 2006 in its Commercial Sales Practice Format (CSP-1) at paragraph 3 that it was offering Government customers "equal to or better than [Deloitte's] best price" and/or failing to administer the Contract's price reduction clause, and thereby overcharging the United States for claims under the Contract during the Contract Extension Period. This conduct is referred to below as the Covered Conduct.

C. 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, and in lieu of the initiation of proceedings for

the Covered Conduct set forth in paragraph 2 and subject to the exceptions in paragraph 3, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Deloitte shall pay to the United States Eleven Million, Three Hundred Eighty-Nine Thousand Dollars (\$11,389,000) (Settlement Amount) and interest on the Settlement Amount at a rate of one percent (1%) from April 13, 2016 through May 26, 2016 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 five (5) business days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning excluded claims) below, and conditioned upon Deloitte's full payment of the Settlement Amount, the United States releases Deloitte, together with its current and former parent corporations, companies, and partnerships; direct and indirect subsidiaries; brother or sister corporations, companies, and partnerships; divisions; current or former corporate, company, and partnership owners; and the corporate, company, and partnership 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; 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.

3. Notwithstanding the release given in paragraph 2 of this Agreement, or any other term of this Agreement, the following claims 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, 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.

4. 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. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

5. Deloitte fully and finally releases the United States, its agencies, officers, agents, employees, and servants from any claims (including attorney's 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 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 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 attorney's fees);
- (4) the negotiation and performance of this Agreement;

- (5) the payment Deloitte 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 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.

7. This Agreement is intended to be for the benefit of the Parties only.
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 jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Columbia. 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.

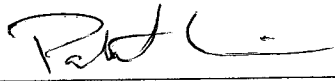
14. This Agreement is binding on Deloitte's successors, transferees, heirs, and assigns.

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: 5/31/16

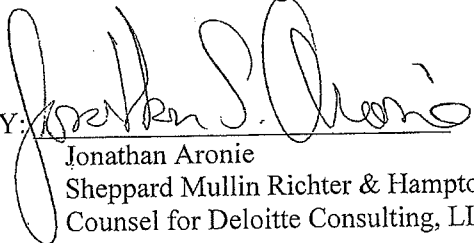
BY:   
Patrick Klein  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DELOITTE CONSULTING, LLP

DATED: May 31, 2016

BY:   
Robert Graham  
Principal  
Deloitte Consulting LLP

DATED: 5/31/16

BY:   
Jonathan Aronie  
Sheppard Mullin Richter & Hampton, LLP  
Counsel for Deloitte Consulting, LLP