

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 U.S. Environmental Protection Agency (EPA) (collectively the “United States”), Stantec Consulting Services Inc. (“Stantec Consulting”), and Cardno Consulting, LLC, f/k/a Cardno, Inc. (hereafter “Cardno Consulting”), (collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. The EPA’s Brownfields Grant Program provides grants and technical assistance to communities, states, tribes and others to assess, safely clean up, and sustainably reuse contaminated properties—for example, shuttered gas stations or dry cleaner facilities. There are different types of Brownfields grants: assessment grants, revolving loan fund grants, cleanup grants, and multipurpose grants. Regarding assessment grants, eligible applicants can apply for grants of approximately \$200,000.00 to \$2,000,000.00 (depending on the applicant-type), and use the grant funding to conduct inventories, planning, environmental assessments and community outreach in order to revitalize real property that contains a hazardous substance, pollutant, or contaminant that has complicated efforts to expand, redevelop or otherwise reuse the property. Eligible applicants for assessment grants are local governments, counties, cities, municipalities, or any other agency or instrumentality of a local government, as well as tribes and 501(c)(3) organizations. For-profit business entities are not eligible to apply for assessment grants under the EPA Brownfields Grant Program.

B. Recipients of EPA Brownfields assessment grants are required to comply with competitive procurement standards required by federal regulation, specifically 2 C.F.R.

§ 200.319, which requires all procurement transactions under a Federal award, including Brownfields assessment grants, to be conducted in a manner that provides full and open competition. As relevant here, 2 C.F.R. § 200.319(b) states: “To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids must be excluded from competing for those procurements.” The EPA’s competitive procurement requirements expressly refer to, and require compliance with, 2 C.F.R. § 200.319, and the EPA’s annual request for proposals for Brownfields assessment grant applications refers to this regulation as a requirement.

C. Stantec Consulting is an indirect wholly owned subsidiary of Stantec Inc., an international professional services company with a primary headquarters in Alberta, Canada, and operations across North America and the globe. Between 2016 and 2022, Stantec Consulting provided environmental development and consulting services to recipients of assessment grants awarded through the EPA Brownfields Grant Program.

D. Cardno Consulting is an indirect wholly owned subsidiary of Stantec Inc. Cardno Consulting was acquired in December 2021 through the purchase by Stantec Inc. of the North America and Asia Pacific engineering and consulting groups of Cardno Limited, including the business operations related to the EPA Brownfields Grant Program. Between 2016 and 2022, Cardno Consulting provided environmental development and consulting services to recipients of assessment grants awarded through the EPA Brownfields Grant Program.

E. The United States contends that it has certain civil claims against Stantec Consulting and Cardno Consulting arising from the following alleged conduct during the period between December 26, 2014 and December 31, 2022: Stantec Consulting and Cardno Consulting

assisted EPA Brownfields assessment grant applicants with developing or drafting specifications, requirements, statements of work, and invitations for bids that those applicants would issue publicly to solicit proposals and procure services for assistance with applying for and implementing EPA Brownfields assessment grants. For 75 of these applicants, Stantec Consulting or Cardno Consulting submitted proposals in response to solicitation documents that the United States alleges they had developed or drafted, and won the contract awards. Stantec Consulting and Cardno Consulting then prepared EPA Brownfields assessment grant applications on behalf of these applicants, and the applications contained express representations of compliance with 2 C.F.R. § 200.319. These applications were submitted to the EPA, and the United States alleges that the EPA relied on the truth and accuracy of the information and representations in the applications to make grant award decisions. These 75 applicants were granted EPA Brownfields assessment grants, and Stantec Consulting and Cardno Consulting performed the assessment work. These 75 EPA Brownfields assessment grants are identified in Appendix 1 by the corresponding EPA grant number. The conduct described in this Paragraph E is referred to herein as the “Covered Conduct.”

F. Stantec Consulting and Cardno Consulting deny the United States’ allegations in Paragraph E and further deny that any conduct on their part gives rise to valid claims by the United States.

G. Stantec Consulting and Cardno Consulting received credit under Department of Justice guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases. Justice Manual § 4-4.112.

H. This Settlement Agreement is neither an admission of liability by Stantec Consulting or Cardno Consulting nor a concession by the United States that its claims are not well founded.

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. Stantec Consulting and Cardno Consulting shall collectively pay to the United States \$4,000,000.00 (Settlement Amount), of which \$2,666,666.67 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 15 calendar days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, the United States releases Stantec Consulting and Cardno Consulting, together with their current and former member organizations and/or parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former member organizations and/or corporate owners; and the corporate 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, 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 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; or
- f. Any liability of individuals.

4. Stantec Consulting and Cardno Consulting waive and shall not assert any defenses they 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.

5. Stantec Consulting and Cardno Consulting fully and finally release 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 Stantec Consulting or Cardno Consulting have 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 Stantec Consulting or Cardno Consulting and their 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) Stantec Consulting or Cardno Consulting'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; or
- (5) the payments Stantec Consulting and Cardno Consulting make 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 Stantec Consulting and Cardno Consulting, and Stantec Consulting and Cardno Consulting 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, Stantec Consulting and Cardno Consulting, shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Stantec Consulting and Cardno Consulting or any of their subsidiaries or affiliates from the United States. Stantec Consulting and Cardno Consulting agree that the United States, at a minimum, shall be entitled to recoup from Stantec Consulting and Cardno Consulting 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 Stantec Consulting and Cardno Consulting's books and records and to disagree with any calculations submitted by Stantec Consulting and Cardno Consulting or any of their subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Stantec Consulting and Cardno Consulting, 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 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.

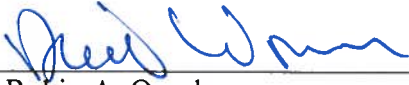
14. This Agreement is binding on Stantec Consulting and Cardno Consulting's successors, transferees, heirs, and assigns.

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: 7/7/25

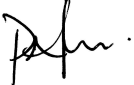
BY: 
Robin A. Overby
David B. Wiseman
Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice


STANTEC CONSULTING SERVICES INC. - DEFENDANT

DATED: 3 July 2025 BY: 
Paul Alpern
Executive Vice President, General Counsel

DATED: 07-03-2025 BY: 
Mark N. Bartlett
Alexander F. Porter
Counsel for Stantec Consulting Services Inc.

CARDNO CONSULTING, LLC - DEFENDANT

DATED: 3 July 2025 BY: 
Paul Alpern
Executive Vice President, General Counsel

DATED: 07-03-2025 BY: 
Mark N. Bartlett
Alexander F. Porter
Counsel for Cardno Consulting, LLC

APPENDIX 1- EPA Grant Numbers

1. BF96849601
2. BF00E02010
3. BF01J39801
4. BF01J40201
5. BF01J40301
6. BF01J38801
7. BF01J38501
8. BF00E01529
9. BF00E02278
10. BF97761201
11. BF00E02279
12. BF00E02304
13. BF00E02276
14. BF01J53201
15. BF01J50701
16. BF96879601
17. BF97766001
18. BF00E02377
19. BF00E02380
20. BF00E02413
21. BF96879201
22. BF00A00480
23. BF99T91201
24. BF96896301
25. BF96255719
26. BF00E02494
27. BF00E02489
28. BF00E02713
29. BF99T91301
30. BF01F87401
31. BF01J86801
32. BF01J86201
33. BF98T09801
34. BF01J86301
35. BF00E02890
36. BF96872320
37. BF96240019
38. BF01J99101
39. BF00A01042
40. BF01J99801
41. BF00E03043

42. BF95815010
43. BF00E03052
44. BF00E03044
45. BF00E03040
46. BF96883019
47. BF97787001
48. 4B97794201
49. BF00E03198
50. 4B02F16601
51. BF00D45816
52. BF00D46716
53. BF00D46916
54. BF00D61417
55. BF00D61717
56. BF00D71518
57. BF00D71618
58. BF00D73218
59. BF96361501
60. BF00D72318
61. BF00D71718
62. BF00D94919
63. BF01J86601
64. BF01D12520
65. BF01D12920
66. BF97787101
67. BF02J00701
68. BF02D09221
69. BF02D08921
70. BF01J98301
71. BF95815220
72. BF95815250
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