

KEITH COMPANIES INC

Form 425

April 29, 2005

**Filed by Stantec Inc. pursuant to  
Rule 425 under the Securities Act of 1933 and deemed  
filed pursuant To Rule 14a-12 under the  
Securities Exchange Act of 1934.  
Subject Company: The Keith Companies, Inc.  
Commission File No. 000-26561**

This filing consists of answers to employee questions posted to the employee section of the [www.stantec.com/keithco](http://www.stantec.com/keithco) website, regarding the proposed combination of Stantec Inc. and The Keith Companies, Inc.

**Additional Information and Where to Find It**

In connection with the proposed transaction, Stantec and TKC will file a Registration Statement on Form F-4, a joint proxy statement/prospectus and other related documents with the Securities and Exchange Commission (the SEC). Stockholders of Stantec and TKC are advised to read these documents when they become available because they will contain important information. Stockholders of the companies may obtain copies of these documents for free, when available, at the SEC's website at [www.sec.gov](http://www.sec.gov). These and such other documents may also be obtained for free from:

Stantec  
10160-112 Street  
Edmonton, Alberta, Canada, T5K 2L6  
Phone: (780) 917-7000 Fax: (780) 917-7330

and from:

The Keith Companies  
19 Technology Drive  
Irvine, California, USA 92618-2334  
Phone: (949) 923-6000 Fax: (949) 923-6121

Stantec and TKC and their respective directors, executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies in connection with Stantec's proposed acquisition of TKC. Information regarding the special interests of these directors and executive officers in the transaction described herein will be included in the joint proxy statement/prospectus described above. Additional information regarding Stantec's directors and executive officers is also included in its management information circular for its 2005 Annual Meeting of Shareholders, which was filed with the applicable securities commissions in Canada on or about March 31, 2005 and is available free of charge at the Canadian Securities Administrators' web site at [www.sedar.com](http://www.sedar.com) or by contacting Stantec at the address or telephone number set forth above. Additional information regarding TKC's directors and executive officers is also included in its proxy statement for its 2005 Annual Meeting of Stockholders, which was filed with the SEC on or about April 12, 2005 and is available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) or by contacting TKC at the address or telephone number set forth above.

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## **Employee Responses April 29, 2005**

### **Benefits**

#### **When will I be able to see a complete Stantec benefits summary?**

Stantec's and TKC's respective Human Resources teams are ready to begin a comprehensive review of our two benefits plans which we expect will take several weeks. In order to fully explain what will be changing and when those changes will occur in regards to your benefit plans this review needs to be completed.

When we know a timeline for the completion of the review and how the information will be communicated, we will notify TKC employees. In the meantime we thank you for your patience.

#### **Does Stantec offer vision insurance coverage?**

Yes, Stantec does offer vision insurance coverage along with its medical and dental coverage.

#### **Does Stantec have an education reimbursement program?**

Yes, Stantec does have an education reimbursement program. The complete details of the program will be communicated to you once our respective HR teams have had the opportunity to complete a full comparison of the two programs, which will be done in conjunction with the overall benefits review.

#### **Does Stantec offer domestic partner benefits?**

Yes, Stantec offers domestic partner benefits that you will be entitled to utilize. More information regarding how you can do this will be provided with the overall benefits review when it is complete.

#### **Does Stantec reimburse employees when they take the Professional Engineers exam?**

With respect to reimbursement of examination fees, it is Stantec's policy to pay the fees the first time the employee takes the registration exam. In the event that the employee fails to pass the exam, subsequent examination fees are the employee's responsibility.

In addition, financial assistance may be provided for attending study seminars to prepare for exams. Such assistance is given on a case-by-case basis with approval from the employee's direct supervisor.

#### **What statutory holidays does Stantec recognize and what does the Company offer for vacation days and sick days?**

This overview will be provided along with the other benefits information once the review is complete.

#### **What does Stantec mean by a single 401(k) plan? Would we still be able to pick from different investment opportunities?**

Yes, you will be able to pick from different investment opportunities. The Stantec 401(k) Plan is a participant directed and is currently administered by Merrill Lynch, the same administrator used by TKC. The plan has daily account management flexibility and automated administration via the plan's 800# or the Internet. Like TKC, Stantec offers one overall plan for qualified employees to participate in. Also it offers many investment options that the participant can direct his or her retirement funds to.

#### **What happens to my 401k loan? Do I have to pay it off in full? Will it roll to the new plan?**

Once the TKC plan receives the IRS favorable determination letter, you will have the choice to either pay the loan in full prior your distribution, take a taxable distribution of the balance of the loan plus accrued interest, or you will be able to do a direct rollover of the loan into the Stantec 401(k) plan if you are a participant in that plan and have rolled over your TKC 401(k) funds into the Stantec plan.



**Does Stantec's 401k plan allow loans on their 401k plan?**

Yes it does. When the benefits review is complete we will provide all the information you will need to take advantage of this option.

**Operations**

**Will Stantec encourage TKC employees to relocate should the opportunity present itself? Will there be opportunities to travel to other offices?**

Yes. One of the reasons for Stantec's growth is to provide more opportunities for employees to advance their careers and professional experience within the organization. One of our strengths is our ability to form multidisciplinary teams using expertise from across the company

Stantec also posts all of its job vacancies on its intranet to give employees the ability to look for relocation and advancement opportunities.

**How does Stantec address turnover issues? Will turnover be addressed?**

Turnover is monitored and reviewed on a regular basis and addressed at the local level if there is an issue.

**What can I do as an employee to make the transition as smooth as possible?**

We encourage you to continue with business as usual. Stay positive and remain focused on the job and the customer. Talk to your manager, Human Resources, or use the Feedback form on the Employee Site of [www.stantec.com/keithco](http://www.stantec.com/keithco) to ask questions and voice any concerns.

**Compensation**

**Will our pay periods remain the same (the 10<sup>th</sup> and 25<sup>th</sup> of each month)?**

No, Stantec employees are paid on a biweekly basis. The two-week pay period begins on a Saturday and ends on a Friday. Paychecks for all employees are distributed on the first Friday following the end of the pay period (i.e., one week in arrears).

However, this change will not likely happen immediately upon the close of the transaction because it will take some time to bring the two companies' systems together. Any change to your pay periods will be communicated to all TKC employees well in advance.

**Does Stantec offer stock options to employees?**

Yes. Stantec currently has an employee stock option plan. However, because the number of available options in the plan is limited, the number of participants is also limited.

**Cautionary Note Regarding Forward Looking Statements**

This website contains forward-looking statements. In some cases, forward-looking statements can be identified by words such as believe, expect, anticipate, plan, potential, continue or similar expressions. Such forward-looking statements are based upon current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Some of the forward-looking statements contained in this press release include statements about the proposed Stantec and TKC merger; including statements that: (i) the merger will allow the combined company to realize strategic goals; (ii) the merger is expected to be accretive to earnings of the combined company; (iii) the merger will allow Stantec to increase its revenues from its United States operations by approximately 70%; (iv) the combination with TKC will allow Stantec opportunities to cross sell services to TKC's client base; and (v) the TKC shareholders will realize a premium of approximately 30%. These statements are not guarantees of future performance, involve certain risks,

uncertainties and assumptions that are difficult to predict, and

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are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. For example, if TKC does not receive required shareholder approvals, if Stantec is unable to list its stock on a major US exchange or either party fails to satisfy other conditions to closing, the merger will not be consummated. In addition, the combined companies may not realize all or any of the expected benefits of the merger. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: global capital market activities, fluctuations in interest rates and currency values, the effects of war or terrorist activities, the effects of disease or illness on local, national, or international economies, the effects of disruptions to public infrastructure, such as transportation or communications, disruptions in power or water supply, industry and worldwide economic and political conditions, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the companies operate, the actions of management, and technological changes. Actual results may differ materially from those contained in the forward-looking statements in this press release.