

EARLY RESOLUTION CONCILIATION AGREEMENT

Between

**THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

and

**RMS ENGINEERING & TECHNOLOGY
LOCKHEED MARTIN CORPORATION**

**6720 B Rockledge Drive, 8th Floor
Bethesda, Maryland 20817**

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs (“OFCCP”) is currently evaluating the Lockheed Martin Corporation functional unit called RMS Engineering & Technology (“RMS Engineering & Technology”) located at 6720 B Rockledge Drive, 8th Floor, Bethesda, MD 20817 (“Reviewed Functional Unit”)¹ and is alleging that RMS Engineering & Technology was not in compliance with Executive Order 11246 as amended (“E.O. 11246” or “Executive Order”), Section 503 of the Rehabilitation Act of 1973, as amended (“Section 503”); the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended (“VEVRAA”); and their implementing regulations at 41 Code of Federal Regulations (CFR) Parts 60-1, -2, -3, -300, and, -741. OFCCP has not issued any formal notice of alleged violations regarding the functional unit and there have not been any adjudicated findings. In the interest of resolving the alleged violations without engaging in enforcement proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and RMS Engineering & Technology enter into this Early Resolution Conciliation Agreement (“Agreement”), and the parties agree to all the terms therein. OFCCP recognizes RMS Engineering & Technology’s commitment to prospective improvements in workplace equity, opportunity, and diversity in crafting this forward-looking resolution that will foster enhanced oversight of more workers for at least the next five years. The attachments to this Agreement are deemed incorporated into this Agreement.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for RMS Engineering & Technology’s fulfillment of all obligations of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246, Section 503, and/or VEVRAA based on the alleged violations described in more detail in Parts IV and VI below. However, OFCCP has the

¹ OFCCP is also currently reviewing another RMS function unit, HQ & LOB. As part of this agreement, the HQ & LOB evaluation will be closed with monitoring required in Part VIII.

right to initiate legal proceedings to enforce this Agreement if RMS Engineering & Technology violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future complaint investigations under, or to enforce, this Agreement according to its terms.

In exchange for RMS Engineering & Technology's fulfillment of all obligations of this Agreement, OFCCP further agrees not to initiate any new compliance evaluations pursuant to 41 CFR 60-1.20 or any other type of audit or evaluation under any other regulatory authority, including but not limited to, compliance evaluations, compliance checks, focused reviews, and/or off-site review of records at RMS' covered functional units listed in Attachment A ("covered functional units") until at least 60 days after RMS Engineering & Technology submits the final progress report described in Part VIII of this Agreement and the OFCCP confirms to RMS Engineering & Technology that it has fully complied with the terms of this Agreement, and the exemption period available in the selection methodology in place five years henceforth has expired.

RMS Engineering & Technology agrees that OFCCP may review its compliance with this Agreement. As part of such review, given reasonable notice, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents as may be relevant to the matter under investigation and pertinent to RMS Engineering & Technology's compliance. RMS Engineering & Technology will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents required.

2. This Agreement does not constitute an admission by RMS Engineering & Technology of any violation of or noncompliance with EO 11246, Section 503, VEVRAA, and their implementing regulations at 41 CFR Chapter 60, or other laws, nor has there been an adjudicated finding that RMS Engineering & Technology violated any laws.
3. RMS Engineering & Technology understands that nothing in this Agreement relieves RMS Engineering & Technology of its obligation to fully comply with the requirements of EO 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment opportunity laws.
4. RMS Engineering & Technology promises not to harass, intimidate, threaten, discriminate against, or otherwise retaliate against any individual because the individual benefits from this Agreement, or files a complaint or participates in any investigation or proceeding under EO 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 CFR § 60-1.32(a).
5. OFCCP and RMS Engineering & Technology ("the parties") understand the terms of this Agreement and enter into it voluntarily.
6. This Agreement, including its attachments, constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains

all of the terms binding the parties and it supersedes all prior written and oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing and signed by all parties. If an administrative error is found, OFCCP will work in good faith with all parties to make the corrections.

7. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
8. This Agreement becomes effective on the day it is signed by the Regional Director (the "Effective Date").
9. This Agreement will expire sixty (60) days after RMS Engineering & Technology submits the final progress report required in Part VIII below, unless OFCCP notifies RMS Engineering & Technology in writing prior to the expiration date that RMS Engineering & Technology has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date OFCCP determines RMS Engineering & Technology has met all of its obligations under the Agreement.
10. Each party shall bear its own fees and expenses with respect to this matter.
11. If RMS Engineering & Technology violates this Agreement,
 - A. The procedures set forth at 41 CFR § 60-1.34, 41 CFR 60-300.63 (2014), and/or 41 CFR 60-741.63 (2014) will govern:
 - i. OFCCP will send RMS Engineering & Technology a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. RMS Engineering & Technology will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - iii. If RMS Engineering & Technology is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement for those establishments with an open review at the time of this agreement.
 - iv. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violation resolved by this Agreement.
 - B. RMS Engineering & Technology may be subject to the sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief for violation of this Agreement.

12. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than the United States Department of Labor, and cannot be used as evidence that RMS Engineering & Technology is not in compliance with any applicable federal, state, or local laws, including but not limited to E.O. 11246, Section 503, VEVRAA, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act. RMS Engineering & Technology and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246, Section 503, and/or VEVRAA.
13. This Agreement is limited to the facts of the RMS Engineering & Technology FAAP compliance review. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to either party's policies, practices, or positions in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.
14. All references to "days" in this Agreement are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.
15. This agreement is between OFCCP and RMS Engineering & Technology (as collectively defined above) and does not confer any rights or benefits to any other parties, other than any successor to, parent of, or subsidiary of RMS Engineering & Technology.

PART III. SPECIAL TERMS AND CONDITIONS

- A. RMS agrees to conduct an in-depth review of a subset of its functional units identified in Attachment A to ensure non-discriminatory selection for its engineering job titles.² If violations similar to those identified in Part IV of this Agreement are identified, RMS agrees to implement corrective actions at all of its functional units where violations were found, consistent with the remedy provisions of this Agreement.
- B. The five-year scheduling exemption is limited to regularly scheduled compliance evaluations, including compliance reviews, compliance checks, focused reviews and/or off-site review of records. OFCCP retains the right to investigate complaints of discrimination at functional units covered by the Agreement under E.O. 11246, Section 503, and VEVRAA. This exemption applies to the functional units listed on Attachment A.

² The following RMS FAAPs include engineering job titles: HQ & LOBs; Engineering & Technology; Ops Sup Chain & Sustain; and Business Performance.

- C. This Agreement will not relieve RMS from its annual ongoing OFCCP requirements of equal employment opportunity through affirmative action and non-discrimination across its entire workforce, including the monitoring of an up-to-date Functional AAP.
- D. This Agreement between RMS Engineering & Technology and OFCCP may be modified upon the written consent of the parties and such consent shall not be unreasonably withheld.

PART IV. PRELIMINARY FINDINGS.

A. Selection Disparities.

During the compliance evaluation at the Reviewed Functional Unit listed in Part I, OFCCP alleges that RMS Engineering & Technology is not in compliance with the nondiscrimination requirements of the equal opportunity clause of EO 11246 § 202 and 41 CFR § 60-1.4(a)(1). OFCCP's preliminary findings revealed statistical significance in the hiring process and selection procedures for the following Engineering job titles between January 1, 2017 and June 30, 2018, resulting in the following hiring shortfalls.

- 1. Software Engineer Associate: Shortfall of 2 Asian hires
- 2. Software Engineer Associate: Shortfall of 10 Black hires
- 3. Systems Engineer Staff: Shortfall of 1 Hispanic hire
- 4. Member Engineering Staff: Shortfall of 2 Asian hires
- 5. Member Engineering Staff: Shortfall of 6 Black hires
- 6. Software Engineer: Shortfall of 5 Black hires
- 7. Systems Engineer: Shortfall of 6 Hispanic hires
- 8. Systems Engineer: Shortfall of 2 Black hires

PART V. FINANCIAL and NON-FINANCIAL REMEDY

A. Specific Settlement Amounts. The total settlement amount includes \$611,475.49 in back pay and \$88,524.51 interest to resolve specific violations set forth above, as follows:

- 1. **Finding 1:** Member Engineering Staff (Asian & Black)
- 2. **Finding 2:** Software Engineer (Black)
- 3. **Finding 3:** Software Engineer Associate (Asian & Black)
- 4. **Finding 4:** Systems Engineer (Black & Hispanic)
- 5. **Finding 5:** Systems Engineer Staff (Hispanic)

1. Notice Process

- a. **OFCCP and Contractor Obligations under the Notice Process.** The Notice Process set forth in this Agreement is intended to provide Affected Applicants a meaningful opportunity to understand their rights and obligations and act on them in a timely manner. As specified in the Timeline (Attachment D) and as otherwise necessary to fulfill this Agreement, RMS Engineering & Technology and OFCCP will regularly meet and confer in person, by phone and/or by email on the notice process to determine how best to carry out the Notice provisions of this Agreement, and to decide whether any activity, deadline, or document should be modified. OFCCP and RMS Engineering & Technology agree not to unreasonably withhold consent to reasonable modifications proposed by either party.
- b. **Notice Documents.** RMS Engineering & Technology will distribute Notice Documents to Affected Applicants (Attachment B) consistent with the sample Notice Documents contained in Attachments C-1, C-2, and C-3. The Notice Documents will include a Notice, Interest Form, and Release. The Notice Documents will make clear the information about the settlement is being provided by or on behalf of the U.S. Department of Labor.
- c. **Timeline.** Attachment D sets forth the agreed Timeline for Notice and for the parties' other obligations under this Agreement. The parties will meet and confer on any reasonable modifications to the Timeline proposed by either party.
- d. **Search for Affected Applicants.** OFCCP may provide RMS Engineering & Technology with additional contact information in its possession or its authority to obtain on the Affected Applicants by the date set forth in the Timeline.
- e. **Distribution of Mail Notice to Affected Applicants.** RMS Engineering & Technology will provide initial notice by regular first-class mail. RMS Engineering & Technology will send copies of all of the Notice Documents as defined above, including a postage-paid return envelope, by first class mail to the best available mailing address for each Affected Applicant, by the date set forth in the Timeline. If envelopes from the initial mail notice are returned with forwarding addresses, RMS Engineering & Technology will re-mail the Notice Documents within fourteen (14) days of receipt of the forwarding address.

Based on the response to the initial mail notice, the parties will meet and confer by the date set forth in the Timeline to assess the results of the initial mail notice and to ensure that the second round of mail notices maximizes the potential response rate. OFCCP may also conduct independent efforts to communicate with Affected Applicants about this Agreement and provide updated information to RMS Engineering & Technology. A second mail notice will be sent to Affected Applicants with valid addresses who fail to respond to the first mail notice unless the parties agree otherwise.

- f. **Notice Deadline.** The final deadline for any Affected Applicant to respond to the notice is set forth in the Timeline. The parties will prominently display this deadline on all materials they distribute in paper or online form regarding this Agreement, and explain that failure to respond by this deadline will result in a forfeiture of any relief provided by this Agreement.
- g. **Exchange of Information Regarding Affected Applicants.** RMS Engineering & Technology and OFCCP will timely exchange information regarding Affected Applicants, including updated contact information and the results of any technical assistance provided.
- h. **Final List of Eligible Applicants.** The Final List will include all Affected Applicants who timely respond to the Notice by the deadline set forth in the Timeline and whose eligibility is verified by OFCCP. The parties will establish the Final List by the date set forth in the Timeline. The parties will meet and confer on any outstanding issues or questions regarding the Final List. Either party may identify potentially eligible Applicants who may have been erroneously excluded from the original or any subsequent list. OFCCP shall make the final determinations of eligibility but will make every effort to negotiate in good faith to resolve any dispute about the Final List. RMS Engineering & Technology will provide to OFCCP any information necessary to determine the Final List.
- i. **Contractor's Expenses.** RMS Engineering & Technology shall pay all expenses associated with carrying out its duties pursuant to this Section, from funds separate and apart from the amount designated in this Agreement for the Settlement.

2. Allocation

- a. **Total Amount to be Allocated.** The back pay and interest amounts will be distributed among the eligible applicants as explained in Part V, Section 1.b above. Individual shares will include appropriate deductions for each individual's share of payroll deductions required by law on the portion representing back pay only, such as federal (FICA/FUTA) state/local insurance premiums or taxes.
- b. **Affected Applicants Eligible to Receive Payments.** The Settlement Fund will be distributed to all Affected Applicants who timely respond to the Notice Process as explained below, and whose eligibility is verified (hereinafter "Eligible Applicants"). These individuals will be listed on the Final List of Eligible Applicants ("Final List"). The process of determining the Final List is explained above under Notice Process. OFCCP will determine the final amount for each Eligible Applicant based on the formula or other terms provided in this Agreement. All Eligible Applicants are entitled to their share of the monetary settlement regardless of whether they are currently interested in employment with RMS Engineering & Technology.
- c. **Individual Payment Amounts.** Within each job title, individual payments will be distributed on a pro-rata basis in equal amounts among the external applicant class

members. Likewise, within each job title, individual payments will be distributed on a pro-rata basis in equal amounts among the internal candidate class members.

- d. **Payments to Eligible Applicants.** OFCCP will provide RMS Engineering & Technology a list of the payment amount for each Eligible Applicant on the Final List by the date set forth on the Timeline. RMS Engineering & Technology will issue checks or make electronic payments to each Eligible Applicant in the stated amount, along with appropriate tax reporting forms, as required by the IRS (such as W-2 and IRS Form 1099), by the date set forth on the Timeline. OFCCP will receive timely documentation of all payments made and any payments returned undelivered or any checks not cashed, as set forth on the Timeline. Any check that remains uncashed 120 days after the initial date the check was mailed to the Eligible Applicant will be void. With respect to any uncashed funds, RMS Engineering & Technology will make a second distribution to all Eligible Applicants who cashed their first check. If the remaining amount equates to less than twenty dollars (\$20.00) per class member, RMS Engineering & Technology shall use the money to provide equal employment opportunity training and must notify OFCCP of the expenditure. These funds may only be used for training not already specified in this Agreement.
- e. **Tax Payments, Forms and Reporting.** RMS Engineering & Technology will pay RMS Engineering & Technology's share of social security withholdings, and any other tax payments required by law from additional funds separate from the Settlement Fund. RMS Engineering & Technology shall mail to each Eligible Applicant IRS Form W-2 for that portion of the payment representing back pay and an IRS Form 1099 for that portion of the payment representing interest. These IRS forms will be provided to the Eligible Applicants either at the time of payment, electronically or with the settlement checks, as required by the IRS. No Eligible Applicant will be required to complete a W-4 or W-9 in order to receive payments under this settlement.
- f. **Documentation of Payments.** By the deadline set forth in the Timeline, RMS Engineering & Technology will provide OFCCP with copies of cancelled checks or electronic documentation of all payments to Eligible Applicants, including the amounts paid, the date payment was sent, the date payment was received or the check cashed, and any uncashed or returned checks. In the event of a second distribution, RMS Engineering & Technology will provide a similar documentation on the second distribution.

3. NON-MONETARY REMEDY:

Job Opportunities. As vacancies occur in the job titles identified in Part IV(A) above, RMS Engineering & Technology shall make bona fide job offers, with retroactive seniority, if applicable, to qualified Eligible Applicants until a number of Eligible Applicants equal to the respective shortfall identified above in Part IV, Section A for the job title are hired or the list of Eligible Applicants is exhausted, whichever comes first. Toward satisfying the shortfall, the contractor has already

hired 2 Asian and 1 Black Members Engineering Staff, 1 Black Software Engineer, 1 Asian Software Engineer Associate, and 1 Hispanic Systems Engineer Staff. A “qualified” Eligible Applicant refers to those applicants who met the basic minimum qualifications indicated in the respective job posting for the position for which they are being considered, who have expressed interest in employment, and are not currently employed in the position. An Eligible Applicant who does not meet one or more preferred qualifications for a specific job posting, for example proficiency in a specific computer language will continue to be considered for future job postings in the same job title as described above. As vacancies occur in the job titles and within 75 miles of the location where the Eligible Applicant originally applied, RMS Engineering & Technology shall contact the Eligible Applicants with a job offer in the order in which they submitted their Notice Forms, or, if the Forms were received on the same day, in the order of their original application date. Eligible Applicants must meet the basic qualifications for the position in effect at the time they are considered for employment under this agreement, including post-offer requirements such as a drug screen and background check, and must sign all applicable onboarding materials.

The report-to-work date for Eligible Applicants hired pursuant to this Agreement will be at least fourteen (14) days after the date the job offer is accepted. The Eligible Applicant must report to work on the day designated at the time considered for employment or provide RMS Engineering & Technology notice of good cause for their absence on or before that date. Otherwise, RMS Engineering & Technology may withdraw the job offer and shall be under no obligation to hire the Eligible Applicant under this Agreement.

If any of the Eligible Class Member has been hired by RMS prior to the signing of this Agreement, that job offer shall count toward meeting the alleged shortfalls identified by OFCCP.

RMS Engineering & Technology agrees to pay Eligible Applicants hired under this provision at least the current entry level wage based on applicants’ qualifications for the respective job title, and provide all regular and on-the-job training currently provided to employees in that position.

RMS Engineering & Technology will document the job offers and hires to OFCCP, including job offers made, reasons for rejection, and Eligible Applicants hired and terminated during the monitoring period as set forth below.

PART VI: TECHNICAL VIOLATIONS

1. Violation: OFCCP alleged that during the period of January 1, 2017 through June 30, 2018, RMS Engineering & Technology did not maintain and make available for inspection certain personnel and employment records in accordance with the requirements of 41 CFR § 60-1.12; 41 CFR § 60-3.4, and § 60-3.15.

Remedy: RMS Engineering & Technology will ensure that it has established and implemented procedures to collect and maintain records in accordance with the requirements of 41 CFR § 60-1.12(a) and Part 60-3.

2. Violations: OFCCP alleged that during the period of January 1, 2017 through June 30, 2018, RMS Engineering & Technology did not perform an in-depth analysis of its personnel activity, in violation of 41 C.F.R. § 60-2.17(b). Specifically, RMS Engineering & Technology failed to evaluate its hiring practices to determine whether there were race and ethnicity-based disparities in selection decisions for Associate Member Engineering Staff, Electrical Engineer, Mechanical Engineer, Mechanical Engineer Associate, Member Engineering Staff, Software Engineer, Software Engineer Associate, Software Engineer Staff, Systems Engineer, Systems Engineer Associate Manager, and Systems Engineer Staff positions.

Remedy: RMS Engineering & Technology will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist in accordance with the requirements of 41 CFR § 60-2.17(b).

3. Violation: OFCCP alleged that during the period of January 1, 2017 through June 30, 2018, RMS Engineering & Technology failed to keep and preserve all personnel and employment records, in violation of 41 CFR § 60-300.80.

Remedy: RMS Engineering & Technology will keep and preserve all personnel and employment records, in accordance with 41 CFR 60-300.80, and will keep and preserve those records specified in 41 CFR § 60-300.80(b) for a period of three years from the date of the making of the record.

4. Violation: OFCCP alleged that during the period of January 1, 2017 through June 30, 2018, RMS Engineering & Technology failed to keep and preserve all personnel and employment records, in violation of 41 CFR § 60-741.80.

Remedy: RMS Engineering & Technology will keep and preserve all personnel and employment records, in accordance with 41 CFR § 60-741.80, and will keep and preserve those records specified in 41 CFR § 60-741.80(b) for a period of three years from the date of the making of the record.

PART VII. ADDITIONAL RELIEF PER ENHANCED COMPLIANCE AGREEMENT

1. The Agreement will be in effect for a five-year period beginning on the Effective Date of the Agreement.
2. To proactively facilitate compliance with Executive Order 11246, RMS Engineering & Technology will take the steps described below to enhance its compliance with Executive

Order 11246 in the selection process of all Engineering job titles at its RMS functional units to ensure non-discriminatory selection practices.

3. RMS Engineering & Technology will appoint a responsible individual or team to specifically evaluate the selection policies and practices RMS Engineering & Technology currently uses to hire workers into the Engineering job titles. The responsible individual or team will have the relevant educational background and substantial experience in developing and implementing job-related and neutral selection processes.

4. **Modification to selection procedures**

- a. RMS Engineering & Technology agrees to evaluate its hiring process for the Engineering job titles to ensure equal access to opportunities for all eligible and willing applicants and employees, regardless of sex, race, ethnicity or national origin. RMS Engineering & Technology will endeavor to provide greater transparency with regard to job duties.
- b. RMS Engineering & Technology will evaluate the policies and procedures related to the hiring process for the Engineering job titles at HQ & LOBs; Engineering & Technology; Ops Sup Chain & Sustain; and Business Performance to ensure that hiring decisions are neutral.
- c. Within ninety (90) days after the Effective Date of this Agreement, RMS will submit to OFCCP a proposal that describes the methodology to be used in the evaluation. The proposal will estimate the time necessary to conduct a comprehensive evaluation of RMS' hiring practices for Engineering job titles and write a report containing its findings and recommendations. The evaluation and recommendations will cover the following areas:

The evaluation will cover the following areas:

- i. Procedures to recruit, screen, interview, select, reject, and hire individuals for relevant job titles without regard to sex, sexual orientation, gender identity, race/ethnicity, color, national origin, and religion in compliance with Executive Order 11246.
- ii. Evaluation of recruitment efforts (methods and sources) for relevant job titles and recommendations for additional strategies to increase the representation of qualified Asian, Black, and Hispanic applicants for the Engineering job titles.
- iii. Procedures to limit subjectivity and implicit bias in the hiring process, including identifying objective qualifications and criteria to be used to select and/or eliminate from further consideration persons expressing an interest in employment at each step of the hiring process (i.e., application screen, interview, post-offer screen, etc.).
- iv. Procedures to ensure that persons expressing an interest in employment are tracked and dispositions are recorded at each step in the hiring process.

- v. Procedures to ensure that documents are retained in accordance with 41 CFR 60-1.12(a) and Part 60-3.
 - vi. Procedures to train all employees involved in the hiring process on the policies and practices related to the selection of individuals for relevant positions.
 - vii. Procedures to ensure that adverse impact analyses are conducted in accordance with 41 CFR Part 60-3, including an evaluation of the individual components, if statistical disparities exist.
- d. RMS Technology & Engineering will evaluate its progress toward goals for all job groups in the following RMS functional units: Business Growth; HR Coms, Ethics & Legal; Finance and Business Ops; and Security.

This Enhanced Compliance Agreement between RMS Engineering & Technology and OFCCP does not provide RMS Engineering & Technology with any grant of immunity or protection from its requirement to comply with Executive Order 11246.

This Enhanced Compliance Agreement is between OFCCP and RMS Engineering & Technology (as collectively defined above) and does not confer any rights or benefits to any other parties, other than any successor to, parent of, or subsidiary of RMS Engineering & Technology. In case of a disagreement over the implementation of this Enhanced Compliance Agreement, the parties agree to negotiate in good faith prior to OFCCP instituting any enforcement proceedings.

PART VIII. REPORTS REQUIRED DURING OFCCP MONITORING PERIOD

1. **Recordkeeping.** RMS Engineering & Technology agrees to retain all records relevant to the violations cited in Parts IV and VI above and the reports submitted in compliance with Paragraph B, below. These records include underlying data and information such as Human Resources Information System (HRIS) data, job applications and personnel records, and any other records or data used to generate the required reports. RMS Engineering & Technology will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Confidentiality.** RMS Engineering & Technology will submit reports to Regional Director Michele Hodge at (b) (6), (b) (7)(C) [REDACTED] RMS Engineering & Technology and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports RMS Engineering & Technology provides in accordance with this Agreement are customarily kept private or closely held, and RMS Engineering & Technology believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, RMS Engineering & Technology will provide such reports to OFCCP marked as "Confidential." In the event of a FOIA request, OFCCP will treat any such documents received as confidential documents.

3. Contractor Reports.

A. **Schedule and Instructions.** RMS Engineering & Technology agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

Progress Report 1: The first set of progress reports for the RMS functional units identified in Attachment A will cover the period of January 1, 2021 through December 31, 2021, and will be due by February 28, 2022.

Progress Report 2: The second set of progress reports for the RMS functional units identified in Attachment A will cover the period of January 1, 2022 through December 31, 2022, and will be due by February 28, 2023.

Progress Report 3: The third set of progress reports for the RMS functional units identified in Attachment A will cover the period of January 1, 2023 through December 31, 2023, and will be due by February 28, 2024.

Progress Report 4: The fourth set of progress reports for the RMS functional units identified in Attachment A will cover the period of January 1, 2024 through December 31, 2024, and will be due by February 28, 2025.

Progress Report 5: The fifth set of progress reports for the RMS functional units identified in Attachment A will cover the period of January 1, 2025 through December 31, 2025, and will be due by February 28, 2026.

Each Progress Report will contain the total number of applicants and hires identified by race/ethnicity for all Engineering job titles listed in Part IV(a) above for the RMS Engineering & Technology, HQ and LOBs, Ops Supply Chain and Sustain, and Business Performance functional units. In addition, the first two progress reports will document the requirements outlined above in Part V under Sections 1.b and 1.e ("Notice Process"), and Sections 2.d, 2.e, and 2.f ("Allocation").

RMS Engineering & Technology will submit reports to Regional Director Michele Hodge at (b) (6), (b) (7)(C). It is understood and agreed that RMS Engineering & Technology and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement.

B. **Reports on Job Offers.** In each Progress Report, RMS Engineering & Technology will report on all job offers and hires made to date pursuant to the Agreement until all of the job opportunities for RMS Engineer & Technology functional unit are filled or the list of Eligible Applicants expressing interest in the positions is exhausted, whichever occurs first. This includes:

- i. Documentation of all job offers made to Eligible Applicants, including the names of individuals offered jobs, the date they submitted their application for a position

pursuant to this agreement, the date of the offer, the date the offer was accepted or rejected, and the starting pay.

- ii. Documentation of Eligible Applicants who expressed interest in job offers who (i) did not meet the basic minimum requirements for the position or (ii) did not successfully complete the application process, including the names of these individuals, the date of their application, if any, and the reason RMS Engineering & Technology determined they did not meet the basic minimum qualifications for the position or did not successfully complete the application process. This includes individuals who did not receive job offers because all available positions were filled.
- iii. Documentation of Eligible Applicants who were hired and terminated during the life of this Agreement and the reason for the termination.
- iv. Documentation of Eligible Applicants still on the list.
- v. Documentation of the start dates for Eligible Applicants who were hired.

C. Affirmative Action Programs. RMS Engineering & Technology will submit its availability and job group analyses, goals and progress to goals reports as outlined at 41 CFR 60-2.12 through 60-2.16. Additionally, RMS Engineering & Technology will submit a narrative detailing its outreach and recruitment efforts for the reporting period for each RMS Executive Order 11246 functional AAP with the first Progress Report and annually thereafter while this Agreement is in effect.

D. Reports on Modifications to Personnel Practices. The first Progress Report RMS Engineering & Technology will report on all modifications of personnel practices made to date pursuant Part VII, Section 4 of this Agreement and provide documentation of its compliance with the remedy provisions of this Agreement. The reports must include:

A detailed summary of the procedures established and implemented by RMS Engineering & Technology to collect and maintain records in accordance with the requirements of 41 CFR § 60-1.12(a), Part 60-3, 41 CFR § 60-300.80, and 41 CFR § 60-741.80; ii. A detailed description of the internal audit and reporting system developed and implemented by RMS Engineering & Technology to periodically measure the effectiveness of its total affirmative action program;

- i. A detailed narrative addressing how RMS Engineering & Technology will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist in its engineering job titles, in accordance with the requirements of 41 CFR § 60-2.17(b).

PART IX. SIGNATURES

INTEGRATION CLAUSE: This Agreement represents the full Agreement between RMS Engineering & Technology and OFCCP and this Agreement supersedes any other agreements, oral

or written. In signing this Agreement, neither RMS Engineering & Technology nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

The person signing this Agreement on behalf of RMS Engineering & Technology personally warrants that he or she is fully authorized to do so, that RMS Engineering & Technology has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on RMS Engineering & Technology.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and RMS Engineering & Technology, 6720 B Rockledge Drive, 8th Floor, Bethesda, MD 20817.

(b) (6), (b) (7)(C)

CHRISTOPHER WRONSKY
Vice President, Human Resources
RMS Engineering & Technology

DATE: 12/4/20

(b) (6), (b) (7)(C)

MICHELE HODGE
Regional Director
Mid-Atlantic Region

DATE: December 8, 2020

Attachments

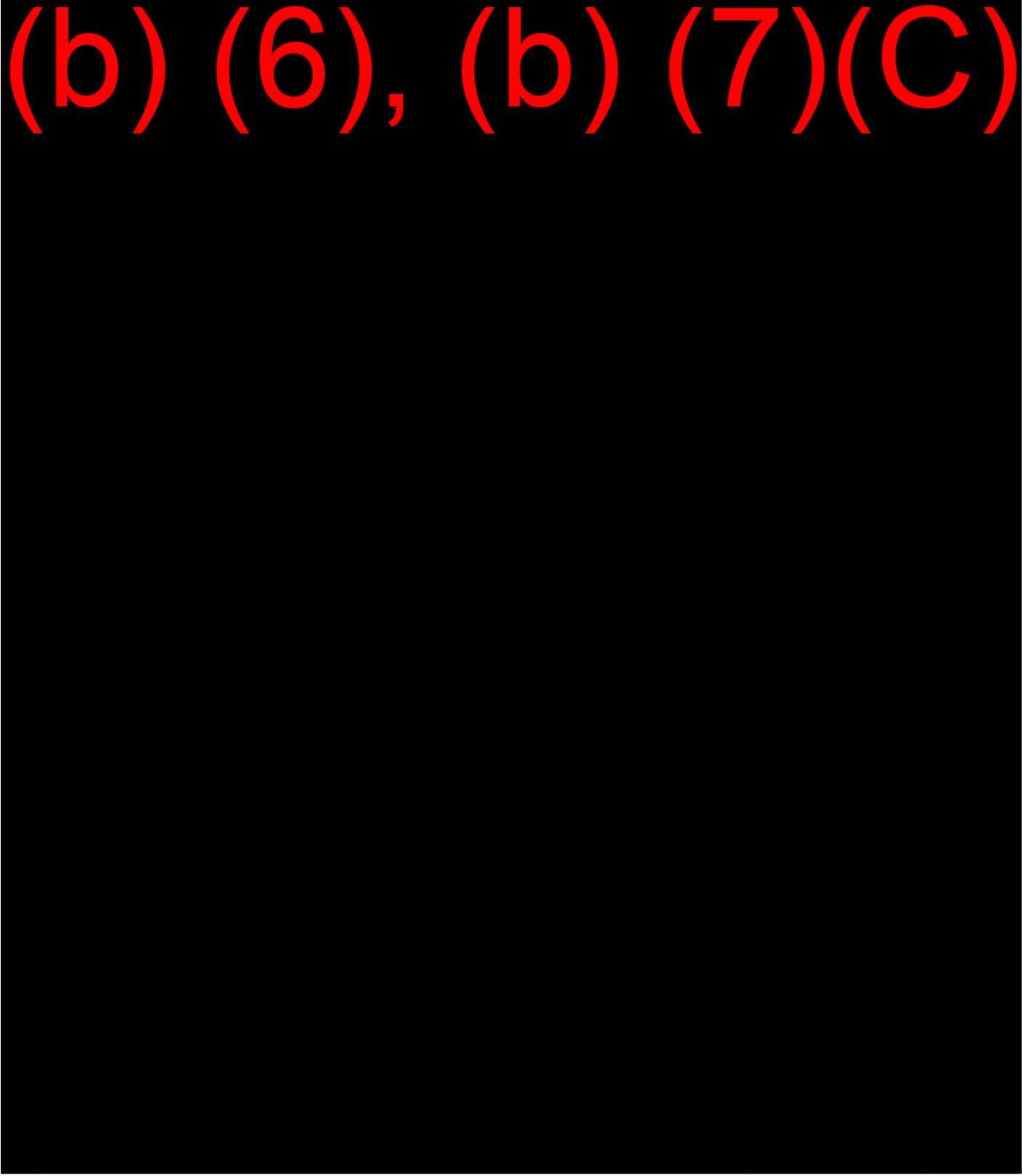
- A. List of Covered Establishments and Position
- B. List of Eligible Class Members
- C. Notice Documents
 - C-1 Notice
 - C-2 Employment Interest Form
 - C-3 Release Form
- D. Timeline

Attachment A: RMS Covered Functional Units

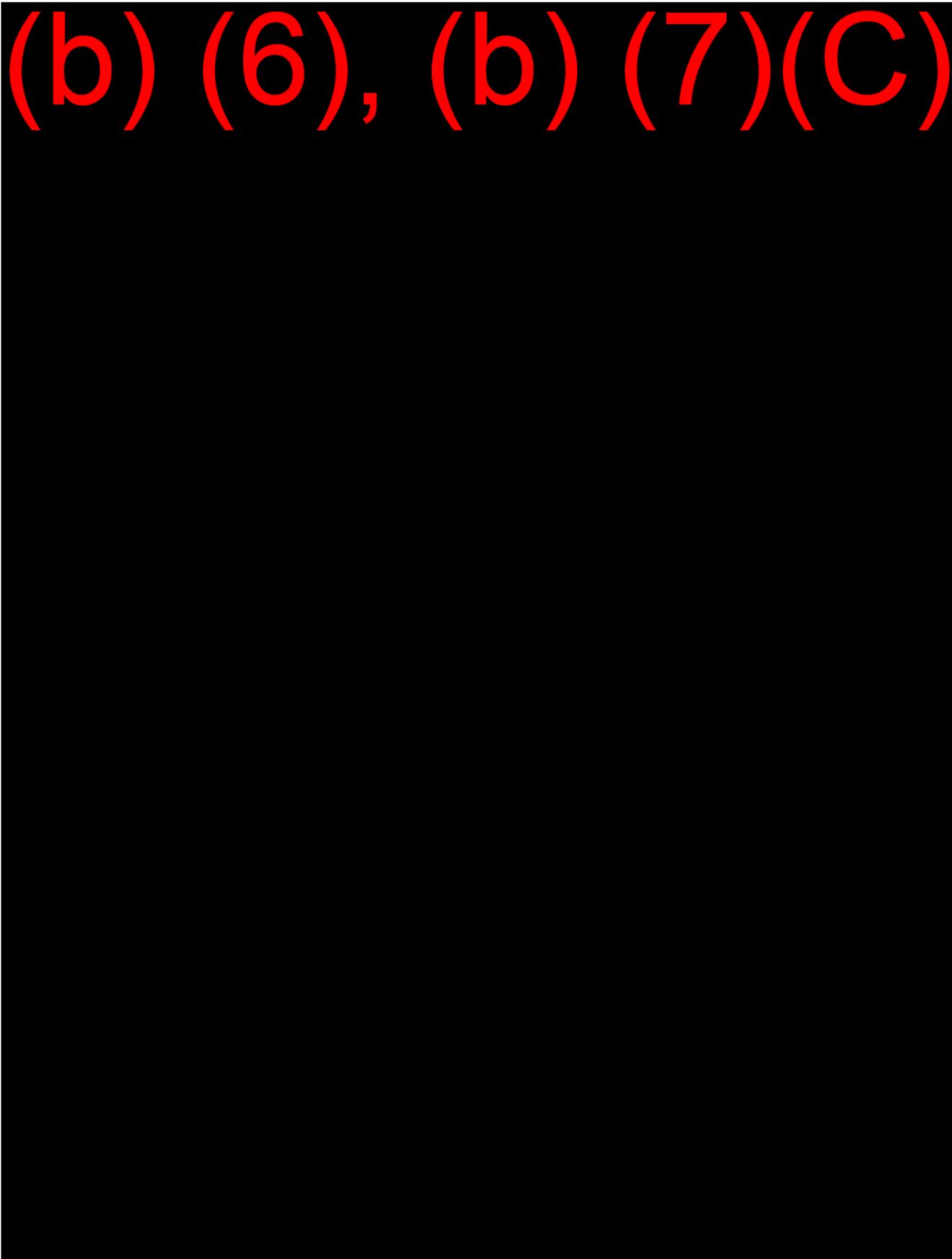
- a. Engineering & Technology
- b. HQ and LOBs
- c. Ops Supply Chain and Sustain
- d. Business Performance
- e. Business Growth
- f. HR, Coms, Ethics & Lgl
- g. Finance and Business Ops
- h. Security

Attachment B: List of Affected Applicants

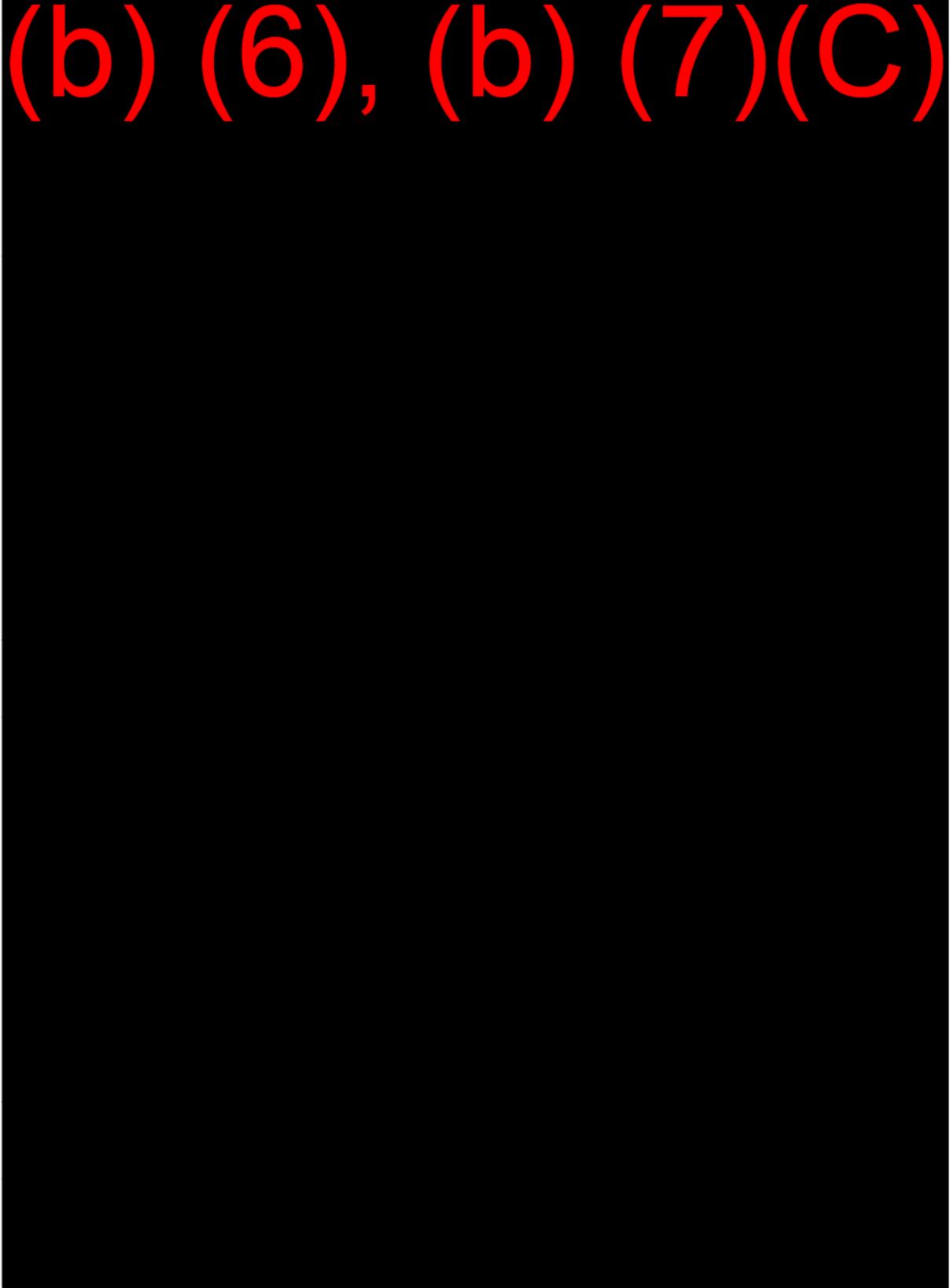
(b) (6), (b) (7)(C)



(b) (6), (b) (7)(C)



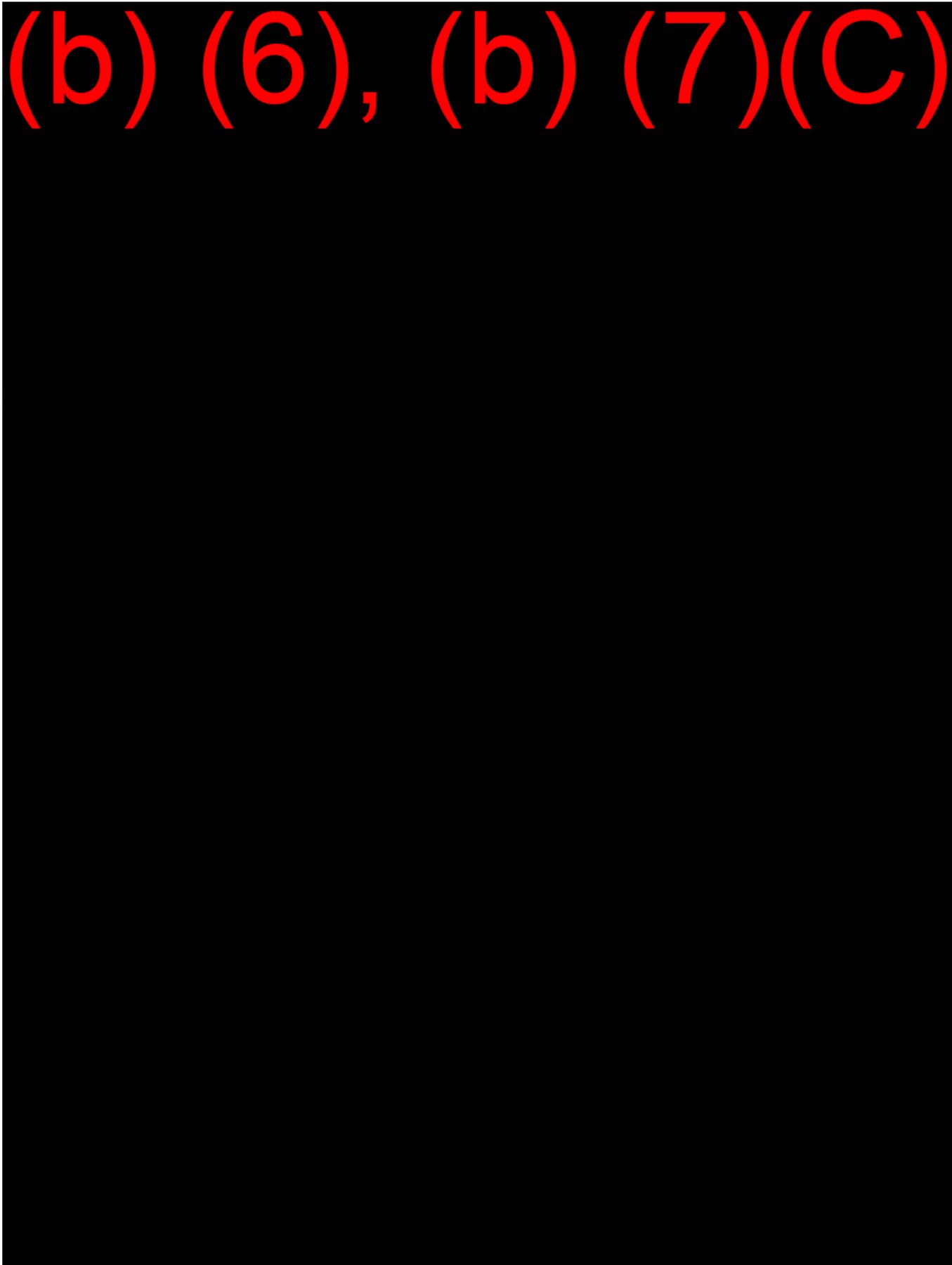
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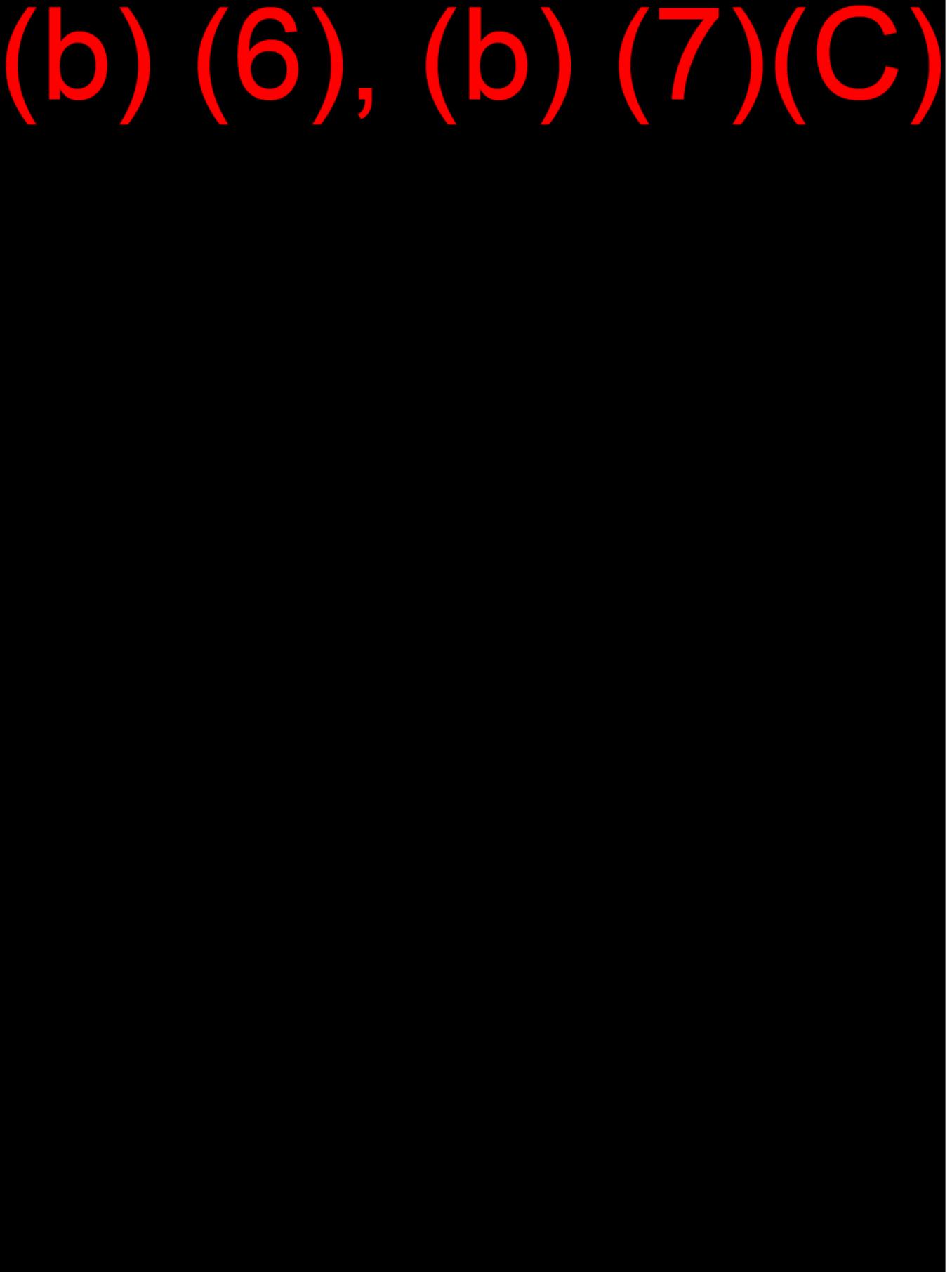
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(b) (6), (b) (7)(C)

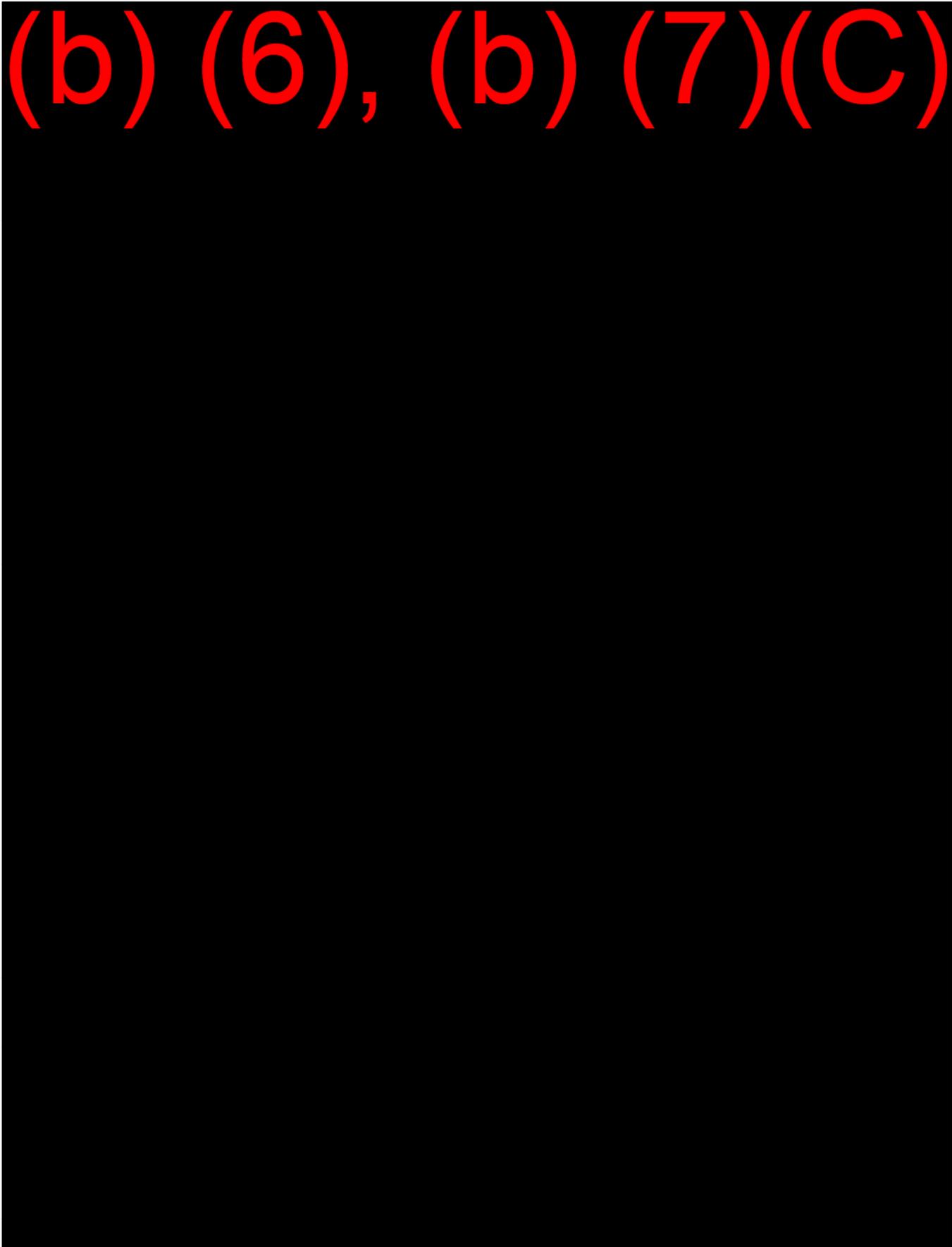
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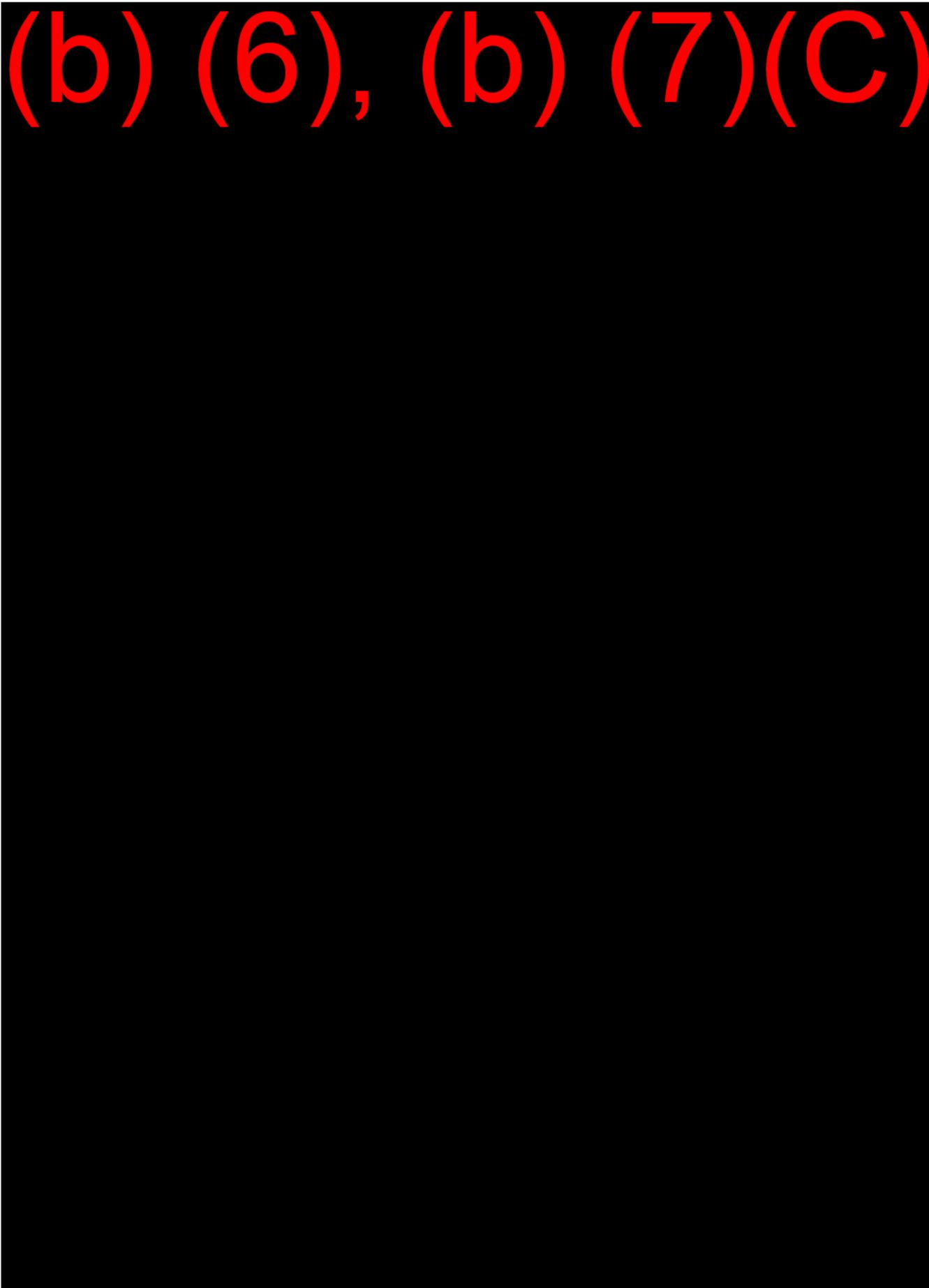
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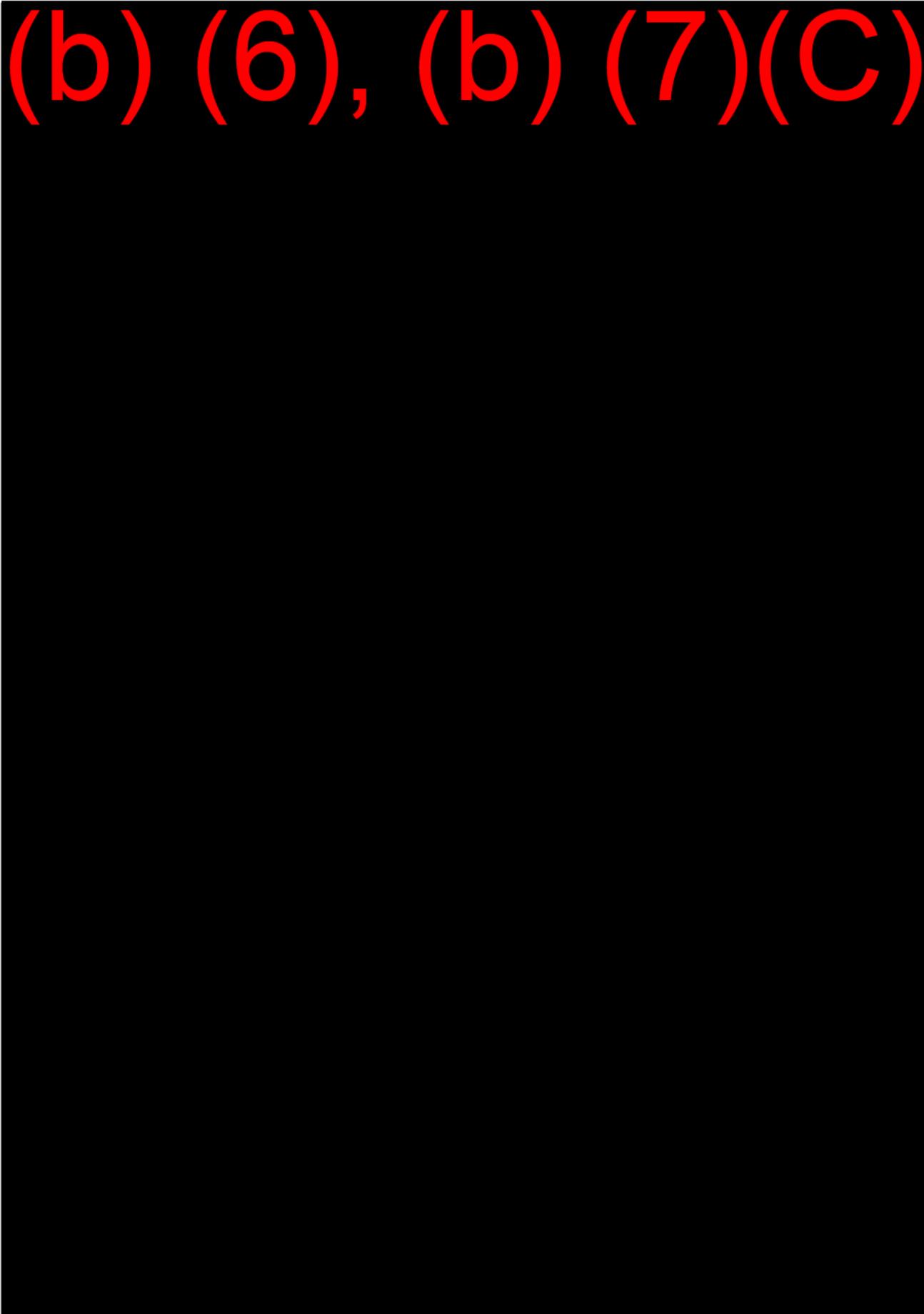
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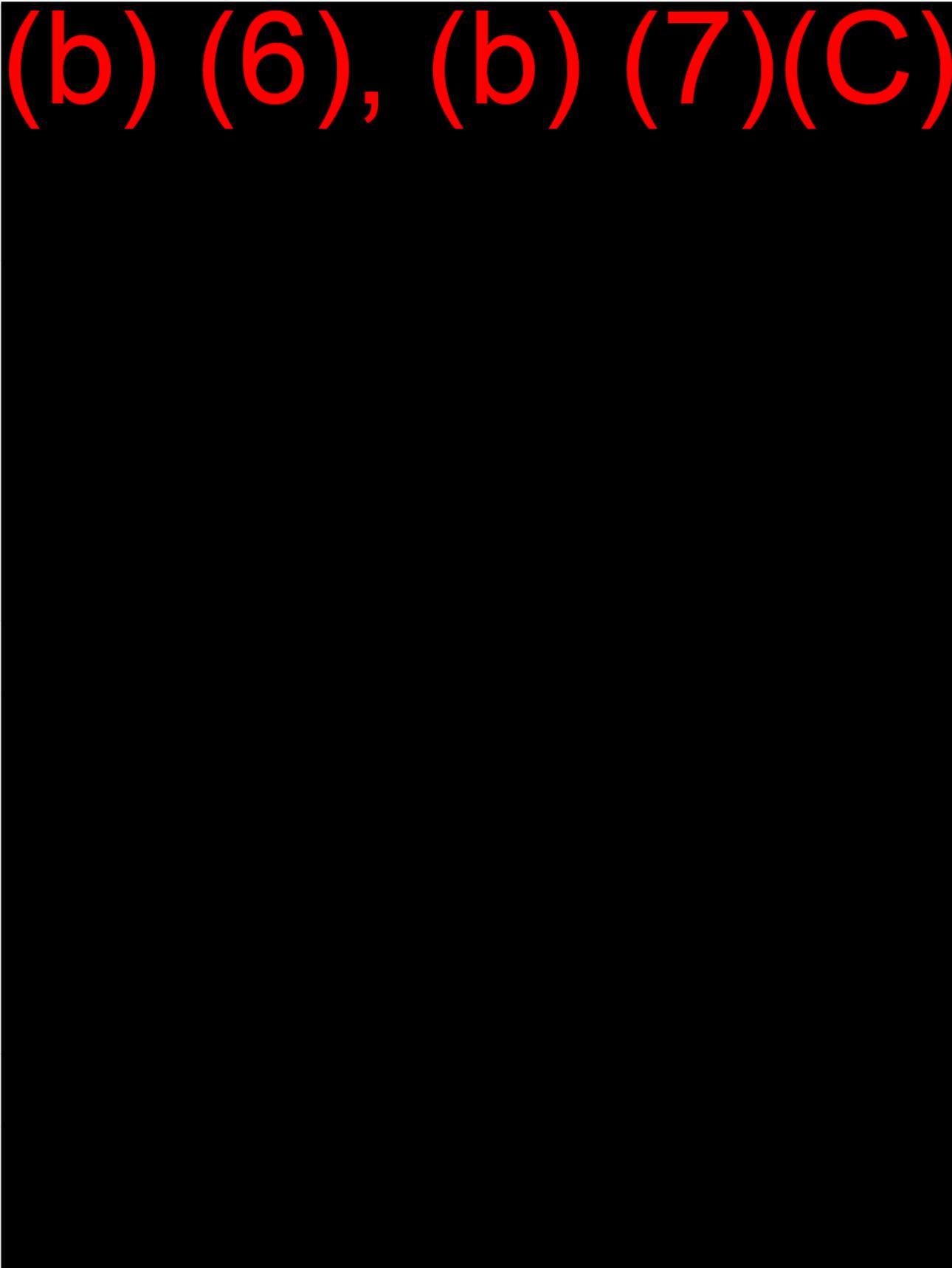
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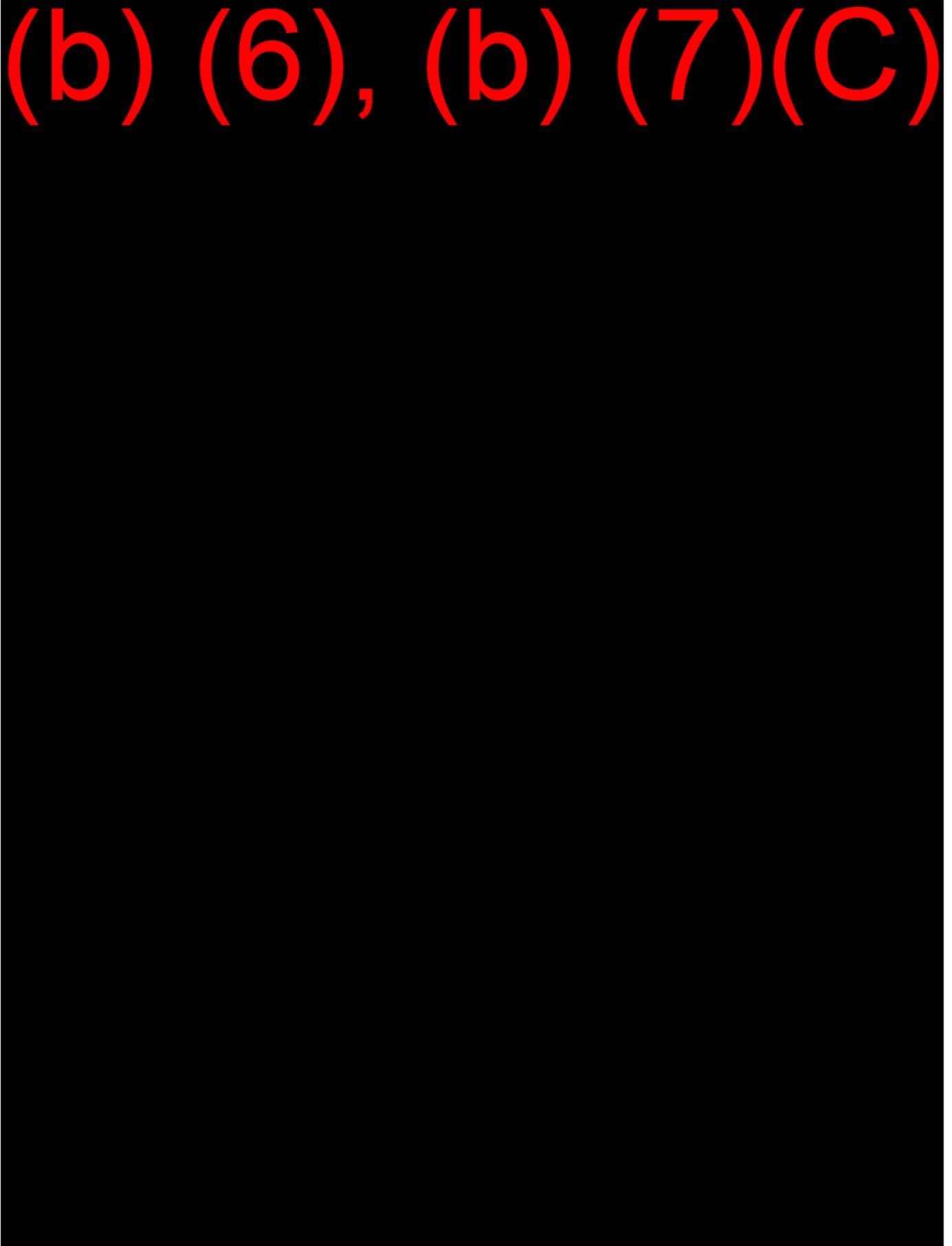
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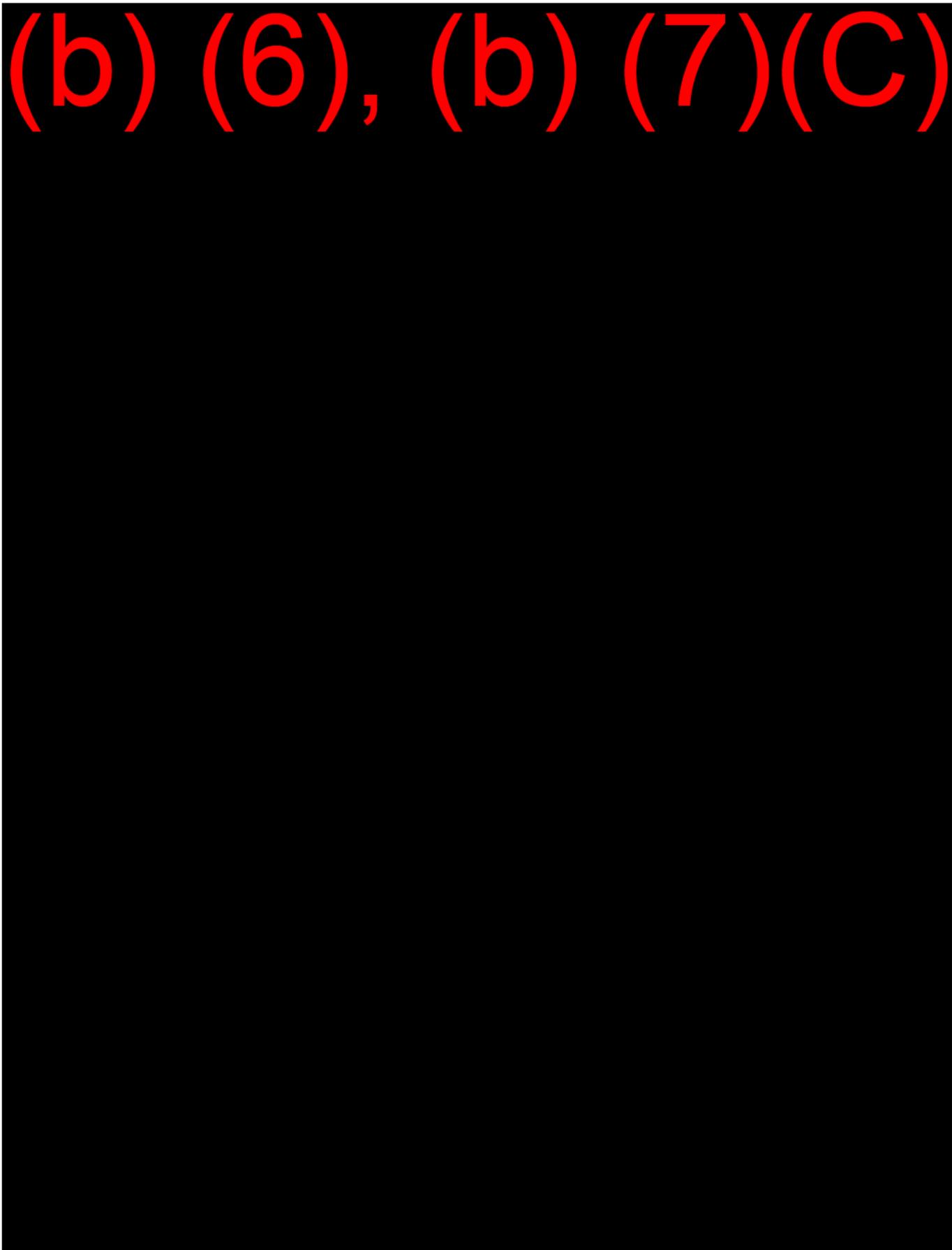
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(b) (6), (b) (7)(C)



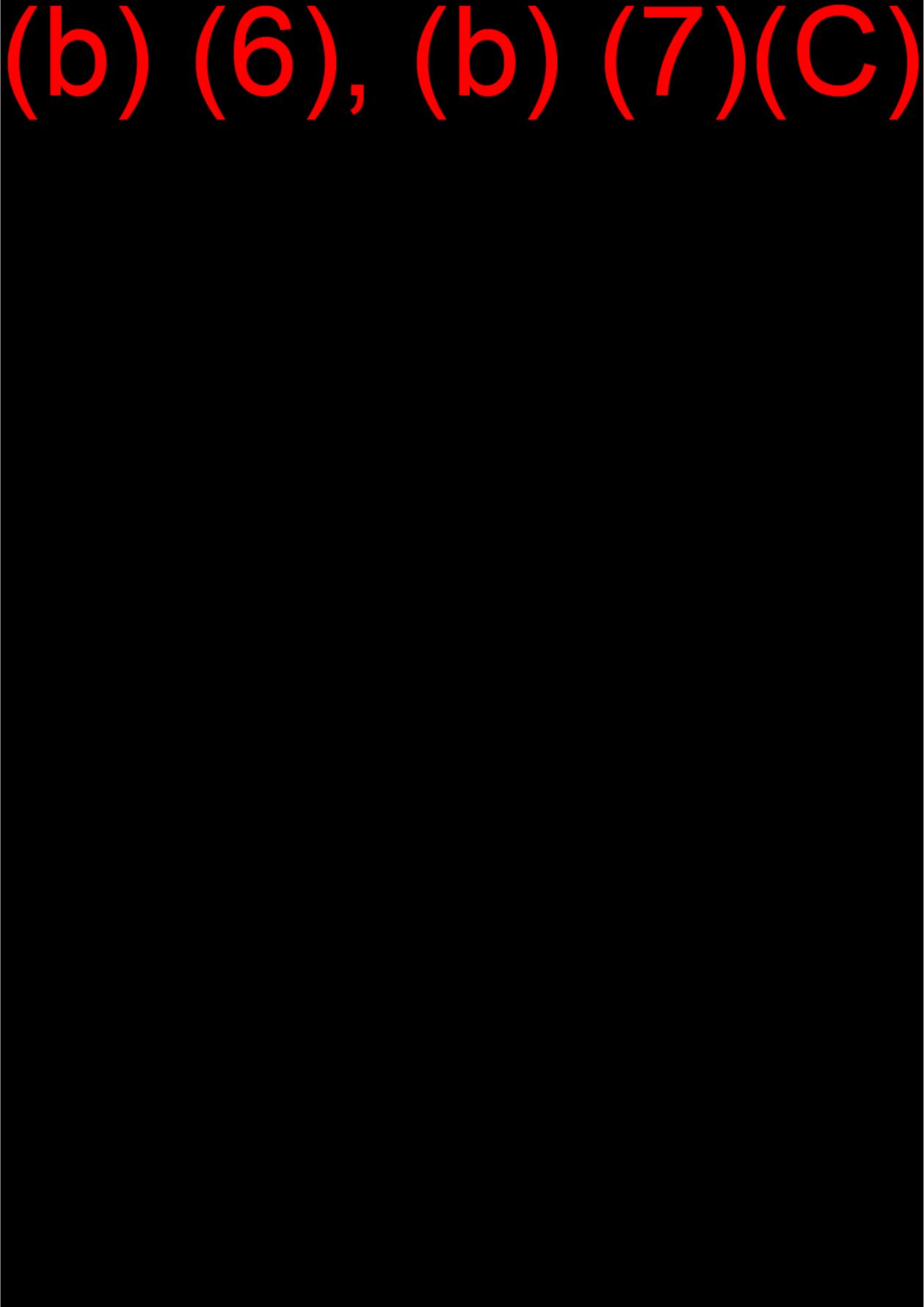
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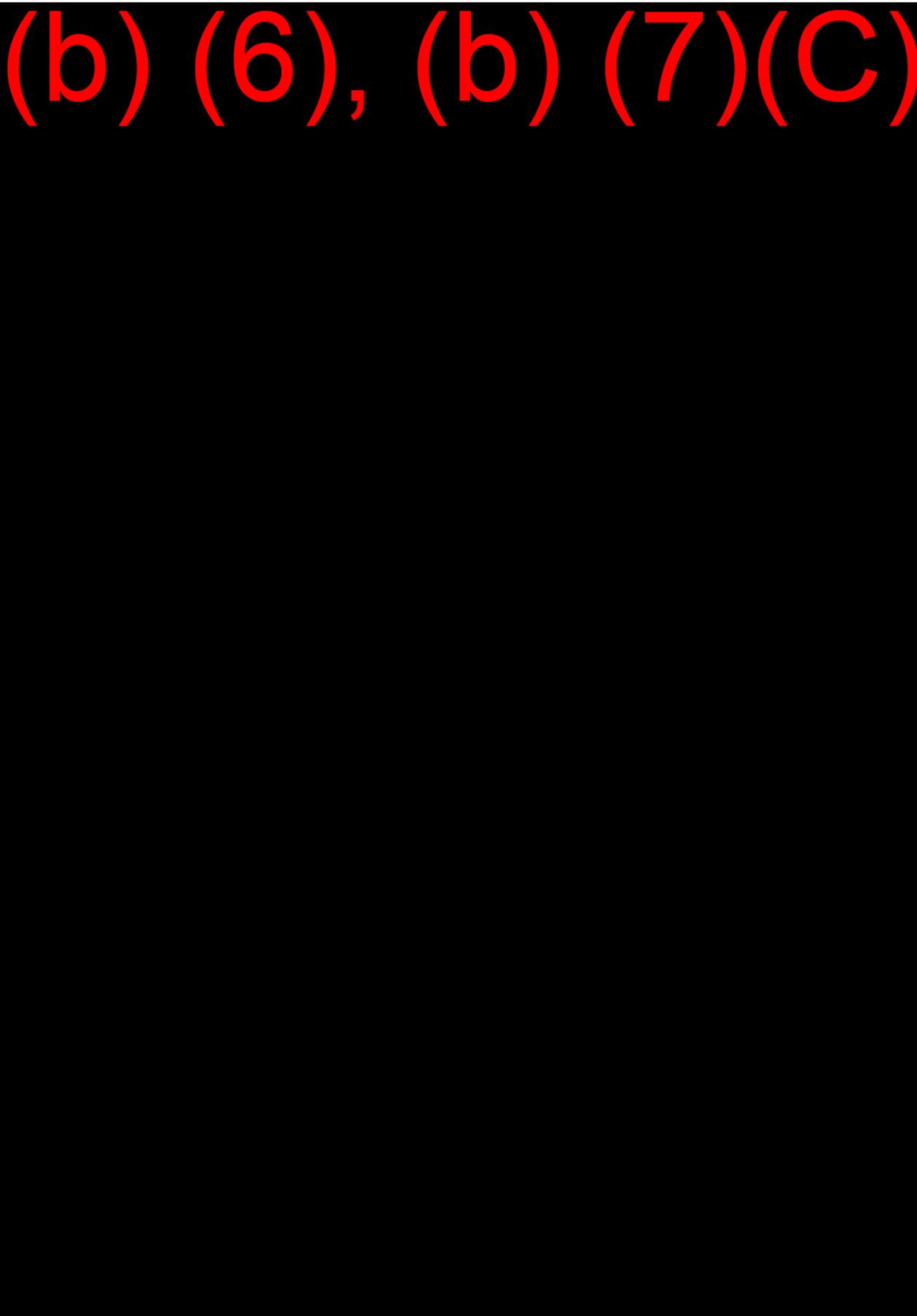
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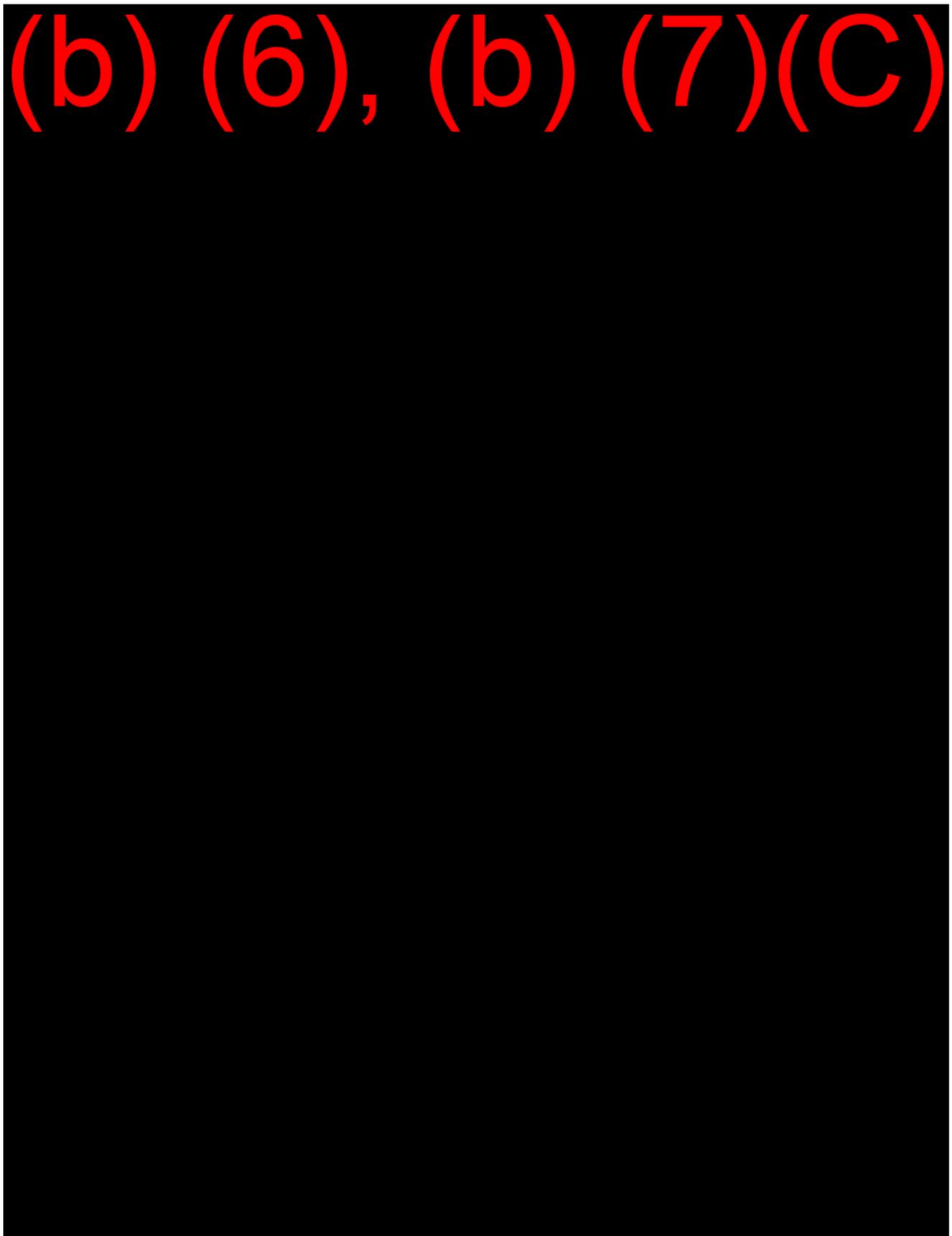
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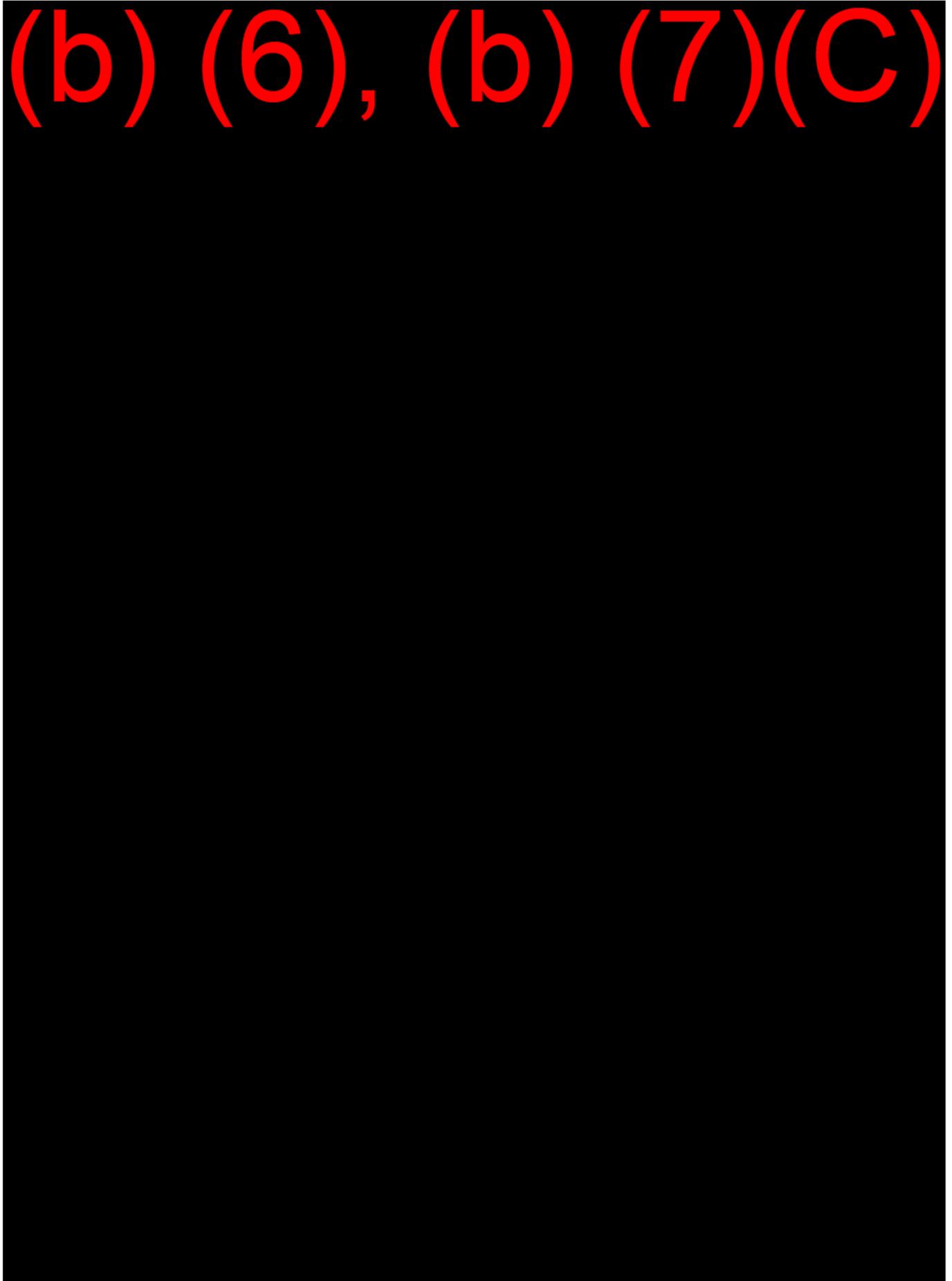
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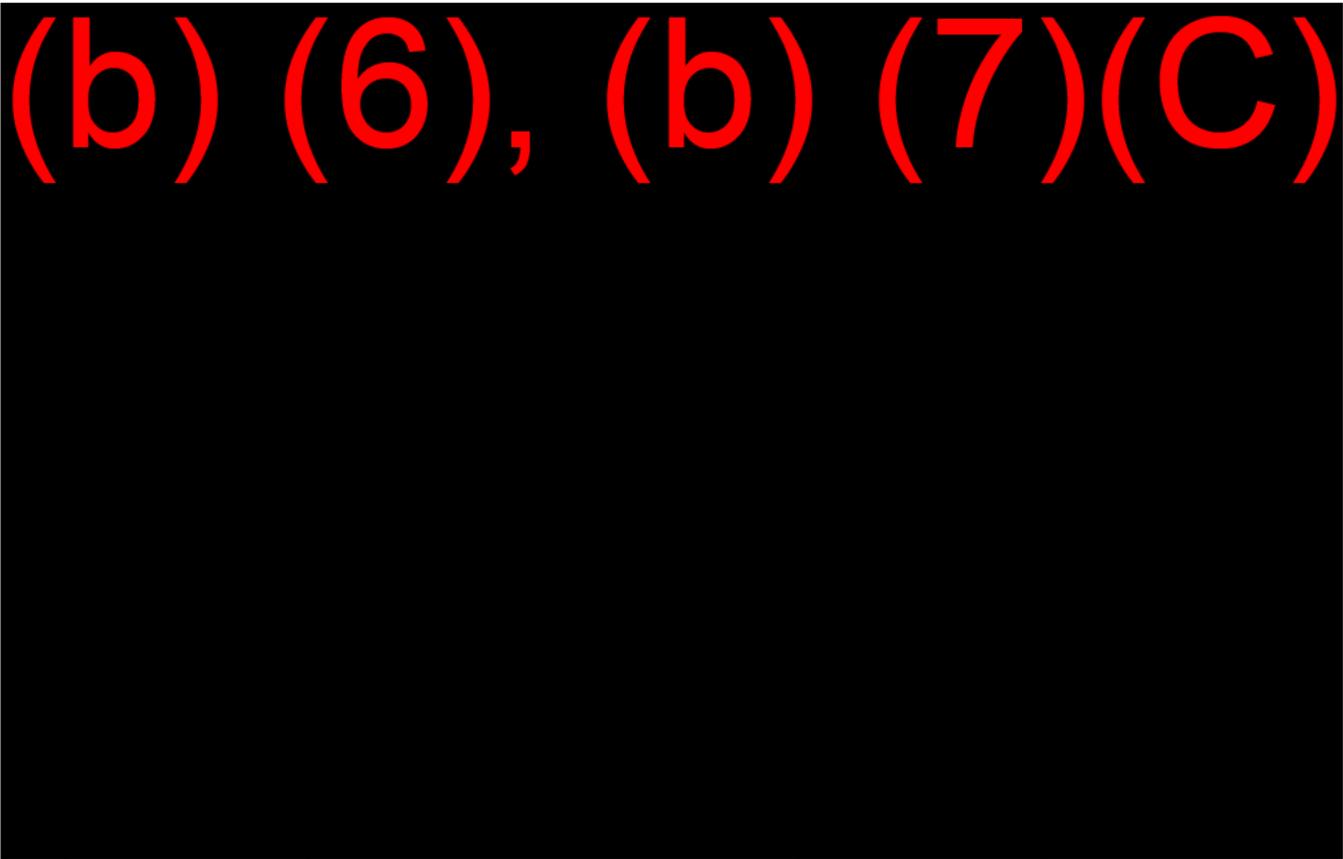
(b) (6), (b) (7)(C)



(b) (6), (b) (7)(C)



(b) (6), (b) (7)(C)



Attachment C1: Notice

You may be eligible to get money because of a legal settlement between RMS Engineering & Technology, Lockheed Martin Corporation and the U.S. Department of Labor.

NOTICE TO AFFECTED CLASS MEMBERS

We are writing to provide information about a legal settlement between the U.S. Department of Labor and RMS Engineering & Technology, Lockheed Martin Corporation (RMS Engineering & Technology) that may benefit you. This settlement involves alleged claims of discrimination in hiring based on a preliminary review of some engineering job titles, and our records show that you may be one of the class members covered by the settlement. RMS Engineering & Technology disputes the Department's preliminary findings.

If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages with RMS Engineering & Technology.

ARE YOU AFFECTED?

Asian, Hispanic, and Black applicants who were not selected and for whom OFCCP found an alleged hiring disparity for select engineering job titles at RMS Engineering & Technology between January 1, 2017 and June 30, 2018 are covered by this settlement.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) conducted a review of RMS Engineering & Technology's hiring practices between January 1, 2017 and June 30, 2018. OFCCP is the government agency responsible for enforcing the nondiscrimination and equal employment opportunity through affirmative action requirements that apply to federal contractors. OFCCP alleges that RMS Engineering & Technology discriminated against Asian, Hispanic, and Black applicants in hiring in select titles. RMS Engineering & Technology denies these claims. Ultimately, OFCCP and RMS Engineering & Technology have agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the terms of an agreement between RMS Engineering & Technology and OFCCP.

As a result, affected class members may be eligible for back pay and job offers.

WHAT DOES THIS MEAN FOR YOU?

Because you applied for employment during the relevant time frame, and were not selected, this settlement may provide you with some specific benefits:

- (1) **You may be eligible to receive a payment of at least \$ _____** (before adjustments for taxes and payroll contributions). This amount represents your share of back wages and other payments RMS Engineering & Technology is making to settle the issues found. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions.

- (2) **You may be eligible for a job offer.** RMS Engineering & Technology will be making job offers to some of the individuals receiving this notification. It is not guaranteed that you will receive a job offer.

To get these benefits, you will need to release or agree to give up certain legal claims, and sign the enclosed Release forms.

WHAT IS YOUR NEXT STEP?

You should read this Notice and the enclosed Interest and Release forms.

Please do not ignore these forms or throw them away. Otherwise, you could miss an opportunity to receive money from RMS Engineering & Technology.

To be eligible for a payment and a job offer, you must complete, sign, and return **both** the following enclosed form (1) the "Release of Claims Under Executive Order 11246" (Release) and (2) the "Information Verification and Employment Interest Form" to:

[Name and address for return of forms or instructions/email for electronic submission]

DEADLINE: The forms must be received by [INSERT specific date for First or Second Notice deadline date in Attachment D].

You may receive some or all of these benefits only if these forms confirm that you are one of the individuals covered by the settlement. After correct completion and submission of these forms, a final decision will be made about your eligibility.

If you fail to return both of the required forms by the deadline above, or if your forms do not verify your eligibility, you will not be eligible to receive any money, consideration for job opportunities or any other benefits that are available to you by the settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact Compliance Officer (b) (6), (b) (7)(C) at (410) (b) (6), (b) (7)(C). You can also visit the U.S. Department of Labor Web site about this case at www.dol.gov/ofccp/cml.

Attachment C-2

INFORMATION VERIFICATION & EMPLOYMENT INTEREST FORM

You must complete this form in order to be eligible for the monetary payment and/or employment opportunities under the terms of the Conciliation Agreement (“Agreement”) between RMS Engineering & Technology and the U.S. Department of Labor’s Office of Federal Contract Compliance Programs. Please print legibly, except for the signature.

Name: _____

Address: _____

Telephone Numbers:

Home _____ Cell _____ Work _____

Email Address: _____

Notify RMS Engineering & Technology at the address below if your address or phone number changes within the next twelve (12) months.

INSERT

CLAIMS ADMINISTRATOR

ADDRESS

Your Social Security Number (to be used for tax purposes only): _____ - _____ - _____

For purposes of this settlement, it is necessary to verify your race:

Caucasian African American/Black Hispanic Asian American Indian/Alaska Native

Please indicate below whether you are currently interested in employment in a [Insert specific engineering job title] position with RMS Engineering & Technology; and if you have previously worked for RMS Engineering & Technology. If you complete, sign, and return this Information Verification and Employment Interest Form, you remain eligible for the monetary payment whether or not you are interested in employment at this time.

[] Yes, I am still interested in employment for a [Insert specific engineering job title] position located within 75 miles of [insert location of original application].

[] No, I am not currently interested in employment with RMS Engineering & Technology for a [Insert specific engineering job title] position located within 75 miles of [insert location of original application] .

[] I have previously worked for RMS Engineering & Technology between January 1, 2017 and June 30, 2018:

Name at time of employment: _____

Location: _____

Dates of employment: _____

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE CLAIMS ADMINISTRATOR BY [INSERT specific date for First or Second Notice deadline date in Attachment D], YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR BE TO BE CONSIDERED FOR A JOB OFFER UNDER THE TERMS OF THIS AGREEMENT.

I, _____, certify the above is true and correct.
(Print name)

Signature

Date

Attachment C-3: Release Form

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT.

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for RMS Engineering & Technology, Lockheed Martin Corporation (RMS Engineering & Technology) paying you money, you agree that you will not file any lawsuit against RMS Engineering & Technology for alleged hiring discrimination under Executive Order 11246. It also says that RMS Engineering & Technology does not admit it violated any laws enforced by OFCCP. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of payment of \$ (less adjustments required by law) by RMS Engineering & Technology to me, which I agree is acceptable, I _____ agree to the following: (print name)

I.

By signing this Release, I agree that I have been made whole for any claim that could have been brought under Executive Order 11246 relating to RMS Engineering & Technology's hiring practices through the Effective Date of this Release. I hereby release RMS Engineering & Technology, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its shareholders, owners, directors, officers, employees, agents, and assigns from any claim for additional make whole relief obtained through any action based on or involving RMS Engineering & Technology's hiring practices through the effective date of this Release that could have been brought under Executive Order 11246. Here, make whole relief is defined as the total earnings lost, and includes: salary or wages, overtime, premium pay and shift differentials, incentive pay, raises, bonuses, lost sales commissions, cost-of-living increases, tips, medical and life insurance, fringe benefits, pensions, stock options, and awards.

II.

I understand that RMS Engineering & Technology does not agree that it treated me unlawfully or unfairly in any way and that RMS Engineering & Technology entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described above to resolve alleged disparities in hiring and to resolve the matter without further legal proceedings in the compliance reviews initiated by OFCCP related to the facility covered by the Conciliation Agreement. I further agree that the payment of the aforesaid sum by RMS Engineering & Technology to me is not to be construed as an admission of any liability by RMS Engineering & Technology.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own freewill to sign this Release.

IV.

I understand that if I do not sign this Release and return it to RMS Engineering & Technology, by the deadline listed on the Claim Form, I will not be entitled to receive any payment (less deductions required by law).

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature: _____

Date: _____

Printed Name: _____

Attachment D: Timeline

ACTIVITY	DATE
RMS Engineering ³ & Technology mails Notice Documents (First Mailing)	January 4, 2021
RMS Engineering & Technology re-mails Notice Documents that were returned with forwarding addresses	Within 14 days of receipt of forwarding address
RMS Engineering & Technology and OFCCP meet to discuss results of initial mail notice	February 15, 2021
OFCCP provides updated contact information to RMS Engineering & Technology	February 22, 2021
RMS Engineering & Technology mails Notice Documents (Second Mailing)	March 1, 2021
Deadline for Affected Applicants to reply to Notice	March 31, 2021
RMS Engineering & Technology provides list of its determination of Eligible Applicants to OFCCP	April 14, 2021
OFCCP reviews and approves Final List and Distribution Amounts	April 28, 2021
RMS Engineering & Technology mails Back Pay Checks	May 12, 2021

³ It is understood and agreed that RMS Engineering and Technology may use a Third Party Administrator to perform required actions.

ACTIVITY	DATE
RMS Engineering & Technology notifies OFCCP of any Checks returned as undeliverable	May 26, 2021
OFCCP provides updated addresses	June 9, 2021
RMS Engineering & Technology mails Back Pay Checks to new addresses	June 23, 2021
Second Distribution of Remaining Funds to Eligible Applicants	November 4, 2021
RMS Engineering & Technology provides OFCCP with copies of cancelled checks or electronic documentation of all payments to Eligible Applicants, including the amounts paid, the date payment was sent, the date payment was received or the check cashed, and any uncashed or returned checks	December 6, 2021

Enhanced Compliance Agreement Timeline

RMS Engineering & Technology submits in-depth analysis methodology proposal to OFCCP	Within 90 days of execution of ERCA
RMS Engineering & Technology submits Annual ECA reports	Report 1: February 28, 2022 Report 2: February 28, 2023 Report 3: February 28, 2024 Report 4: February 28, 2025 Report 5: February 28, 2026