

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
And
IBM US Public Service GBS

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated IBM US Public Service GBS's (IBM GBS) functional unit located at 600 14th Street NW, Hamilton Square Floors 2, Washington, DC 20005, beginning on June 25, 2018. OFCCP alleges that IBM GBS failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order) and the respective implementing regulations at 41 CFR part 60-1. In the interest of resolving the alleged violations without engaging in further enforcement or legal proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and IBM GBS enter into this Conciliation Agreement (Agreement) and its attachments, and the parties agree to all the terms therein.

The attachments to this Agreement are deemed incorporated into this Agreement.

II. General Terms and Conditions

1. In exchange for IBM GBS's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (Section 503), and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended 38 U.S.C. § 4212 (VEVRAA) However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if IBM GBS violates any provision of this Agreement, as set forth in Paragraph 11, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review IBM GBS's compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. IBM GBS will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all hard copy or electronic reports and documents it requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves IBM GBS of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.
4. IBM GBS 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.

5. IBM GBS agrees that it will not retaliate against any potential or actual beneficiary of this Agreement or against any person who files a complaint, who has provided information or assistance, or who participates in any manner in any proceeding in this matter.
6. The parties understand the terms of this Agreement and enter into it voluntarily.
7. 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.
8. This Agreement becomes effective on the day it is signed by the Regional Director (Effective Date).
9. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
10. This Agreement will expire sixty (60) days after IBM GBS submits its final progress report required in Section VII, below, unless OFCCP notifies IBM GBS in writing before the expiration date that IBM GBS has failed to fulfill all of its obligations under the Agreement. In this instance, the Agreement is automatically extended until the date that OFCCP determines that IBM GBS has met all of its obligations under the Agreement.
11. If IBM GBS violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34 will govern:
 - i. OFCCP will send IBM GBS a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. IBM GBS shall have fifteen (15) days from receipt of the notice to respond, except in those cases in which such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - iii. If IBM GBS is unable to demonstrate that it has not violated the Agreement, or if OFCCP's alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement.
 - iv. In the event of a breach of this Agreement by IBM GBS, OFCCP may elect to proceed to a hearing on the entire case and seek full make-whole relief, and not be limited to the terms agreed to in the Agreement.

- b. IBM GBS may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. 60-1.27, and/or other appropriate relief for violating this Agreement.
12. IBM GBS denies any violation of the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.
13. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
14. 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.
15. Each party shall bear its own fees and expenses with respect to this matter.
16. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to any OFCCP policy, practice 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.
17. All references to “days” in this Agreement, and in the Timeline included as Attachment B, 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.

III. Preliminary Findings

OFCCP’s preliminary findings indicate that at least as of December 31, 2017, IBM GBS was not in compliance with the nondiscrimination requirements of 41 CFR §§ 60-1.4(a)(1) and 60-20.4. Specifically, OFCCP’s analysis indicated that IBM GBS paid 115 female Project Managers less than 141 similarly situated male employees.

IV. Financial Remedy

1. **Settlement Amount.** IBM GBS agrees to pay a total of \$350,000.00 in back pay and interest. The settlement amount is a negotiated amount that represents estimated back pay and accrued interest. IBM GBS’s share of taxes on the portion representing back pay (such as federal, state and/or local taxes and Federal Income Contributions Act (FICA)) is not part of the settlement amount. The total settlement amount includes \$305,324.10 in back pay and \$44,675.90 in interest to resolve the preliminary findings set forth above.
2. **Allocation**
 - a. **Total Amount to be Allocated.** The back pay and interest amounts of the settlement amount will be distributed among the eligible employees as explained in this Section.

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/Federal Unemployment Tax Act (FUTA)), state or local insurance premiums or taxes.

- b. **Affected Employees Eligible to Receive Payments.** As set forth in this Section, IBM GBS will pay Back Pay and Interest to Affected Employees (identified in Attachment A) who timely respond to the Notice Process as explained below, and whose eligibility is verified (hereinafter, Eligible Employee(s)). These individuals will be listed on the Final List of Eligible Employees (Final List). The process of determining the Final List is explained below under Notice Process. OFCCP will determine the final amount for each Eligible Employee based on the formula or other terms provided in this Agreement. All Eligible Employees are entitled to their share of the monetary settlement regardless of whether they are currently employed by IBM GBS.
- c. **Payments to Eligible Employees.** OFCCP will provide IBM GBS a list of the payment amount for each Eligible Employee on the Final List by the date set forth on the Timeline. IBM GBS will issue checks or make electronic payments to each Eligible Employee in the stated amount, along with appropriate tax reporting forms (such as W-2 and Internal Revenue Service (IRS) Form 1099) by the date set forth on the Timeline.

IBM GBS will take the following actions to distribute the payments:

- i. Pay each Eligible Employee currently employed by IBM GBS in the manner in which the Eligible Employee is normally paid her regular salary (e.g., direct deposit, check), subject to all lawful deductions as set forth above; and
- ii. Mail a check to all other Eligible Employees subject to all lawful contributions and deductions as set forth above.

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 180 days after the initial date the check was mailed to the Eligible Employee will be void. With respect to any uncashed funds, if, after 180 days after the initial date the checks were mailed, the amount of the uncashed and undistributed funds would result in a payment of \$30.00 or more to each of the Eligible Employees, IBM GBS will make a second and equal distribution to all Eligible Employees who cashed their first check. Otherwise, any remaining funds will revert to IBM GBS for use in EEO trainings and similar initiatives.

- d. **Tax Payments, Forms and Reporting.** IBM GBS will pay IBM GBS's share of social security withholdings, and any other tax payments required by law from additional funds and not out of the settlement proceeds. IBM GBS shall mail to each Eligible Employee an 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 Employees either at the time of payment, electronically or with the settlement checks, or at the end of the year. No Eligible Employee will be required to complete a W-4 or W-9 in order to receive payments under this settlement.¹

3. Notice Process

- a. **OFCCP and IBM GBS Obligations under the Notice Process.** The Notice Process set forth in this agreement is intended to provide Affected Employees a meaningful opportunity to understand their rights and obligations and act on them in a timely manner. This includes providing technical assistance to Affected Employees seeking information about their rights and obligations under this Agreement. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, IBM GBS 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 IBM GBS agree not to unreasonably withhold consent to reasonable modifications proposed by either party.
- b. **Notice Documents.** IBM GBS will distribute Notice Documents to Affected Employees identified in Attachment A consistent with the sample Notice Documents contained in Attachments C1-C2. The Notice Documents may include a Notice, and Release of Claims. The Notice Documents may also include other materials such as standard OFCCP or U.S. Department of Labor materials, instructions or a cover sheet, job applications, or other information that better enables Affected Employees to understand their rights and obligations and act on them in a timely manner. 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. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, the parties will meet and confer on any reasonable modifications of the sample Notice Documents or additions to the materials distributed by IBM GBS, if proposed by either party.
- c. **Timeline.** Attachment B 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. **Distribution of Mail Notice to Affected Employees.** For Affected Employees who are no longer employed by IBM GBS (Affected Former Employees), IBM GBS will provide initial notice by regular first-class mail. IBM GBS 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 Former Employee, by the date set forth in the Timeline. If envelopes from the initial mail

¹ IRS guidance states that an employer can assume a single deduction in the absence of a W-4 form. See 26 CFR 31.3402(f)(2)-1(a).

notice are returned with forwarding addresses, IBM GBS will re-mail the Notice Documents within five (5) days of receipt of the forwarding address. If necessary, OFCCP shall provide IBM GBS with complete contact information in its possession or its authority necessary to contact any Affected Former Employees by the date set forth in the Timeline. For Affected Employees currently employed by IBM GBS, IBM GBS will provide the notice documents via electronic mail.

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 notice, if necessary, maximizes the potential response rate. A second mail notice will be sent to Affected Employees with valid addresses who fail to respond to the first mail notice unless the parties agree otherwise.

- e. **Notice Deadline.** The final deadline for any Affected Employee 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.
- f. **Technical Assistance.** The parties will timely respond to any inquiries from Affected Employees using information consistent with this Agreement and the Notice Documents and will document all inquiries and the result. OFCCP will provide contact information for individuals to contact OFCCP regarding this Agreement. The parties will prominently display this contact information on all materials they distribute in paper or electronic form regarding this Agreement. IBM GBS will provide OFCCP contact information to any Affected Employee with questions or concerns.
- g. **Exchange of Information Regarding Affected Employees.** IBM GBS and OFCCP will timely exchange information regarding Affected Employees, including updated contact information and the results of any technical assistance provided.
- h. **Final List of Eligible Employees.** The Final List will include all Affected Employees 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 Employees 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. IBM GBS will provide to OFCCP any information necessary to determine the Final List.
- i. **Documentation of Payments.** By the deadline set forth in the Timeline, IBM GBS will provide OFCCP with copies of cancelled checks or electronic documentation of

all payments to Eligible Employees, 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, IBM GBS will provide a similar documentation on the second distribution.

- j. **IBM GBS's Expenses.** IBM GBS will pay all expenses associated with carrying out its duties pursuant to this Section, from funds separate and apart from the settlement proceeds.

V. Additional Individual Relief

1. Pay Adjustments

No later than December 31, 2021, IBM GBS will conduct a regression analysis of compensation using the methodology described in Attachment D for all employees in the Project Manager positions in the functional unit using the most recent annual payroll and Human Resources Information System (HRIS) data available. If the above analysis reveals that sex had an effect on pay that is statistically significant to a level of 1.96 standard deviations or larger, adverse to females, IBM GBS will conduct research into the employees in the flagged group. IBM GBS will report to OFCCP the results of its regression analyses and its results and notify OFCCP of either (a) the job-related explanations for any pay differences or (b) the amount and basis for any pay corrections to address pay differences that could not be explained by job-related factors. No later than December 31, 2022, IBM GBS will conduct a similar analysis using the most recent data available and applying the methodology in Attachment D.

VI. Modifications to Employment Practices and Other Non-Monetary Relief

1. **Company Policy and Procedure.** IBM GBS will review and, as necessary, revise its compensation practices and establish monitoring and oversight mechanisms to ensure that all aspects of its compensation system provide an equal opportunity to all of its Project Manager employees. Such mechanisms shall include the identification of an individual responsible for monitoring the base salary as well as the administration of non-base compensation of Project Manager employees. IBM GBS will monitor base salary as well as the administration of non-base compensation for any indication of disparities based on race and/or gender and will investigate and take appropriate corrective action as necessary.
2. **Training.** By February 1, 2022, IBM GBS will conduct training for all personnel involved in determining the base salaries of Project Manager employees on IBM GBS's commitment to equal employment opportunity and on the policies and practices related to compensation.

VII. OFCCP Monitoring Period

1. **Recordkeeping.** IBM GBS agrees to retain all records relevant to the alleged violations cited in Section III above, and the reports submitted in compliance with Paragraph 2, below. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. IBM GBS will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **IBM GBS Reports.**
 - a. **Schedule and Instructions.** IBM GBS agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

IBM GBS must submit two annual Progress Reports while this Agreement is in effect. The first progress report will be due February 1, 2022 and utilize salary data from 2021 using the methodology in Attachment D. The second progress report will be due February 1, 2023 and utilize salary data from 2022 using the methodology in Attachment D.

IBM GBS will submit reports to:

U.S. Department of Labor
Office of Federal Contract Compliance Programs
Attention: Tanya R. Bennett, Assistant District Director
2 Hopkins Plaza, Suite 600, Baltimore, MD 21201
(b) (6), (b) (7)(C) [@dol.gov](mailto:IBMGBS@dol.gov).

IBM GBS 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 IBM GBS provides in accordance with this agreement are customarily kept private or closely-held, and IBM GBS believes should remain confidential under Exemption 4 of the Freedom of Information Act (“FOIA”) in the event of a FOIA request, IBM GBS 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.

- b. **Reports on Pay Adjustments.** In each Progress Report, IBM GBS will report on any and all pay adjustments made to date pursuant to the Agreement as well as the date of the adjustment.
 - i. A description of the pay analysis conducted by IBM GBS;
 - ii. The number of employees that were part of the pay equity study conducted pursuant to this Agreement;
 - iii. A summary of findings regarding IBM GBS’s current policies, procedures, and practices related to compensation, and the results of the compensation analyses

completed using the stipulated model;

- iv. A report of all pay adjustments made pursuant to the Agreement, including a summary of who received pay increases, how much each salary was increased (in percentage terms), and how that figure was determined; and
- v. Any additional recommended actions or revisions to the compensation policies, procedures, and practices to ensure nondiscrimination in compensation.

For verification and replication purposes, IBM GBS must submit individualized compensation data to OFCCP with its second report so that OFCCP can replicate the analyses used in the stipulated statistical model set forth in Attachment D.-

- c. **Reports on Modifications to Personnel Practices.** In each Progress Report IBM GBS will report on any modifications of personnel and compensation practices made to date pursuant to the Agreement and provide documentation of its compliance with the remedy provisions of this Agreement. If any of the relevant documents or policies have not been modified since being provided during a prior reporting period, a statement to that effect is sufficient. The report must include:
 - i. Summary and documentation of training conducted (or planned) for all individuals involved in compensation practices, including documentation that the training was held, who participated, and a summary of the content.
3. **Close of Monitoring Period and Termination of Agreement.** This Agreement shall remain in effect until the monitoring period is completed. The monitoring period will close once OFCCP accepts IBM GBS's final progress report as set forth in Part II, Paragraph 10 above. If OFCCP fails to notify IBM GBS in writing within sixty (60) days of the date of the final progress report that IBM GBS has not fulfilled all of its obligations under the Agreement, OFCCP will be deemed to have accepted the final report and the Monitoring Period and this Agreement will terminate. If OFCCP notifies IBM GBS within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines IBM GBS has met all of its obligations under the Agreement.

VIII. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and IBM US Public Service GBS, Washington, DC.

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

Andrew Fairbanks
Managing Partner
IBM GBS Federal Sector

DATE: SEPTEMBER 29, 2021

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

Michele Hodge
Regional Director
Mid-Atlantic

DATE: September 30, 2021

Attachments:

- A. List of Affected Employees
- B. Timeline
- C. Notice Documents
- D. Methodology

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ATTACHMENT A
List of Affected Employees

	Employee No.	Back Pay	Interest	Total BP + I
1	(b) (6), (b) (7)(C)	\$3,040.48	\$442.03	\$3,482.51
2		\$3,682.65	\$535.39	\$4,218.04
3		\$2,599.74	\$377.95	\$2,977.69
4		\$2,592.00	\$376.83	\$2,968.83
5		\$2,632.05	\$382.65	\$3,014.70
6		\$3,693.93	\$537.03	\$4,230.96
7		\$3,144.68	\$457.18	\$3,601.86
8		\$3,183.56	\$462.83	\$3,646.39
9		\$2,203.58	\$320.36	\$2,523.94
10		\$3,273.04	\$475.84	\$3,748.88
11		\$2,602.08	\$378.29	\$2,980.37
12		\$2,816.64	\$409.49	\$3,226.13
13		\$2,576.83	\$374.62	\$2,951.45
14		\$2,306.83	\$335.37	\$2,642.20
15		\$2,702.18	\$392.85	\$3,095.03
16		\$2,419.94	\$351.81	\$2,771.75
17		\$3,197.32	\$464.83	\$3,662.15
18		\$2,607.54	\$379.09	\$2,986.63
19		\$2,333.59	\$353.71	\$2,687.30
20		\$2,980.85	\$433.36	\$3,414.21

21	(b) (6), (b) (7)(C)	\$3,000.45	\$436.21	\$3,436.66
22		\$1,843.56	\$279.44	\$2,123.00
23		\$1,742.10	\$253.27	\$1,995.37
24		\$2,757.01	\$400.82	\$3,157.83
25		\$3,240.66	\$471.13	\$3,711.79
26		\$3,180.94	\$462.45	\$3,643.39
27		\$2,907.23	\$422.66	\$3,329.89
28		\$1,525.09	\$240.68	\$1,765.77
29		\$2,366.90	\$358.76	\$2,725.66
30		\$2,739.57	\$398.28	\$3,137.85
31		\$1,940.89	\$282.17	\$2,223.06
32		\$4,195.74	\$609.98	\$4,805.72
33		\$3,922.50	\$570.26	\$4,492.76
34		\$1,949.80	\$295.54	\$2,245.34
35		\$2,644.63	\$384.48	\$3,029.11
36		\$1,847.42	\$291.55	\$2,138.97
37		\$3,110.86	\$452.26	\$3,563.12
38		\$3,893.04	\$565.98	\$4,459.02
39		\$3,670.17	\$533.58	\$4,203.75
40		\$2,631.20	\$398.82	\$3,030.02
41		\$3,334.42	\$484.76	\$3,819.18
42		\$3,014.39	\$438.24	\$3,452.63
43		\$3,238.50	\$470.82	\$3,709.32
44		\$3,607.36	\$524.44	\$4,131.80

	(b) (6), (b) (7)(C)			
45		\$2,824.13	\$410.58	\$3,234.71
46		\$3,077.87	\$447.46	\$3,525.33
47		\$3,363.62	\$489.01	\$3,852.63
48		\$2,446.66	\$355.70	\$2,802.36
49		\$3,393.30	\$493.32	\$3,886.62
50		\$2,268.05	\$329.73	\$2,597.78
51		\$2,159.64	\$313.97	\$2,473.61
52		\$2,510.35	\$364.96	\$2,875.31
53		\$3,199.39	\$465.13	\$3,664.52
54		\$3,414.99	\$496.48	\$3,911.47
55		\$2,738.21	\$398.08	\$3,136.29
56		\$655.43	\$107.55	\$762.98
57		\$2,356.85	\$342.64	\$2,699.49
58		\$1,627.36	\$256.82	\$1,884.18
59		\$2,612.77	\$379.85	\$2,992.62
60		\$3,275.89	\$476.25	\$3,752.14
61		\$3,220.32	\$468.18	\$3,688.50
62		\$2,697.72	\$392.20	\$3,089.92
63		\$1,443.38	\$218.78	\$1,662.16
64		\$2,540.63	\$369.36	\$2,909.99
65		\$1,370.56	\$216.29	\$1,586.85
66		\$1,006.39	\$158.82	\$1,165.21
67		\$3,302.53	\$480.13	\$3,782.66
68		\$4,036.55	\$586.84	\$4,623.39

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

69		\$1,773.89	\$257.89	\$2,031.78
70		\$1,757.00	\$255.44	\$2,012.44
71		\$2,648.47	\$385.04	\$3,033.51
72		\$2,658.79	\$386.54	\$3,045.33
73		\$2,592.19	\$376.86	\$2,969.05
74		\$2,502.05	\$379.25	\$2,881.30
75		\$2,159.06	\$313.89	\$2,472.95
76		\$3,791.57	\$551.22	\$4,342.79
77		\$3,857.83	\$560.86	\$4,418.69
78		\$2,601.33	\$378.19	\$2,979.52
79		\$1,196.86	\$181.41	\$1,378.27
80		\$3,072.56	\$446.69	\$3,519.25
81		\$3,418.92	\$497.05	\$3,915.97
82		\$823.57	\$135.14	\$958.71
83		\$3,317.78	\$482.34	\$3,800.12
84		\$1,507.69	\$219.19	\$1,726.88
85		\$2,428.23	\$353.02	\$2,781.25
86		\$1,988.86	\$289.14	\$2,278.00
87		\$3,946.05	\$573.68	\$4,519.73
88		\$1,040.17	\$164.15	\$1,204.32
89		\$2,863.99	\$416.37	\$3,280.36
90		\$2,119.13	\$308.08	\$2,427.21
91		\$2,919.27	\$424.41	\$3,343.68
92		\$2,885.35	\$419.48	\$3,304.83

	(b) (6), (b) (7)(C)			
93		\$3,414.26	\$496.37	\$3,910.63
94		\$2,472.00	\$359.38	\$2,831.38
95		\$2,777.03	\$403.73	\$3,180.76
96		\$1,437.28	\$208.95	\$1,646.23
97		\$919.71	\$145.14	\$1,064.85
98		\$3,397.24	\$493.90	\$3,891.14
99		\$2,127.15	\$309.25	\$2,436.40
100		\$2,862.32	\$416.13	\$3,278.45
101		\$1,300.34	\$205.21	\$1,505.55
102		\$3,999.49	\$581.45	\$4,580.94
103		\$2,722.73	\$412.70	\$3,135.43
104		\$2,805.89	\$407.92	\$3,213.81
105		\$2,489.24	\$361.89	\$2,851.13
106		\$2,766.00	\$402.13	\$3,168.13
107		\$3,292.91	\$478.73	\$3,771.64
108		\$2,493.85	\$362.56	\$2,856.41
109		\$1,599.56	\$242.45	\$1,842.01
110		\$2,976.23	\$432.69	\$3,408.92
111		\$3,013.84	\$438.16	\$3,452.00
112		\$2,903.78	\$422.16	\$3,325.94
113		\$2,001.49	\$290.98	\$2,292.47
114		\$2,619.66	\$380.85	\$3,000.51
115		\$2,624.96	\$381.62	\$3,006.58
	Total	\$305,324.10	\$44,675.90	\$350,000.00

ATTACHMENT B

Timeline

IBM GBS mails Notice Documents (First Mailing)	10/27/2021
Deadline for Affected Employees to reply to First Notice	11/30/2021
IBM GBS and OFCCP meet to discuss results of initial mail notice	12/8/2021
If necessary, OFCCP provides updated contact information to IBM GBS	01/05/2022
If necessary, IBM GBS mails Notice Documents (Second Mailing)	01/13/2022
Deadline for Affected Employees to reply to Second Notice	02/14/2022
IBM GBS provides OFCCP the list of its determination of Eligible Employees (if no second mailing was required, this may be done as early as 01/13/2022 and other dates follow accordingly)	02/25/2022
OFCCP reviews and approves Final List and distribution amounts (or within 2 weeks of receiving list of Eligible Employees from IBM GBS)	03/14/2022
IBM GBS mails back pay checks/transmits direct deposit (or within 3 weeks of receiving approval of Final List from OFCCP)	04/04/2022
IBM GBS notifies OFCCP of any checks returned as undeliverable/failed direct deposits (or within 1 month of issuing payments)	05/09/2022
OFCCP provides updated addresses (or within 2 weeks of receiving notification of failed payments)	05/23/2022
IBM GBS mails back pay checks to new addresses (or within 3 weeks of receiving updated addresses)	06/13/2022
If applicable, distribution of Remaining Funds to Eligible Employees (180 days after mailing of first checks)	10/04/2022
IBM GBS submits its first annual report	02/01/2022
IBM GBS submits its second annual report	02/01/2023

Attachment C-1: Notice

You may be eligible to get money because of a legal settlement between IBM GBS and the U.S. Department of Labor

We are writing to provide information about a legal settlement between the U.S. Department of Labor and IBM US Public Service GBS (“IBM GBS” or “the Contractor”) that may benefit you. This settlement involves a compensation disparity, and our records show that you may be one of the class members covered by the settlement. If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages and interest from IBM GBS.

ARE YOU AFFECTED?

Females employed in Project Manager positions by IBM GBS as of December 31, 2017 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 the Contractor’s compensation practices as of December 31, 2017. OFCCP is the government agency responsible for enforcing the requirements of nondiscrimination and equal employment opportunity through affirmative action that apply to federal contractors. OFCCP alleges it found preliminary indicators of sex-based disparities among Program Managers. IBM GBS denies those allegations. Ultimately, OFCCP and IBM GBS 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 the Contractor and OFCCP.

WHAT DOES THIS MEAN FOR YOU?

Because you were employed as a Project Manager with IBM GBS as of December 31, 2017, this settlement may provide you with back pay as follows:

- (1) **You may be eligible to receive a payment of at least \$ [REDACTED]** (before adjustments for taxes and payroll contributions). This amount represents your share of back wages and other payments IBM GBS 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.

To get this payment, you will need to release or agree to give up certain legal claims, and sign the enclosed form. Under the terms of the Agreement, it may take up to six months from the date of this letter before you receive a payment.

WHAT IS YOUR NEXT STEP?

You should read this Notice and the enclosed Release of Claims Under Executive Order 11246 (“Release”) form.

Please do not ignore this form or throw it away. Otherwise, you could miss an opportunity to receive money from IBM GBS.

To be eligible for a payment, you must complete, sign, and return the enclosed Release form to:

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

DEADLINE: The form 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 the form confirms that you are one of the individuals covered by the settlement. After correct completion and submission of the form, a final decision will be made about your eligibility.

If you fail to return the signed Release form by the deadline above, or if your form does not verify your eligibility, you will not be eligible to receive any money that is available to you from the settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact Compliance Officer [REDACTED] at [REDACTED]. You can also visit the U.S. Department of Labor Web site about this case at www.dol.gov/ofccp/cml.

Attachment C-2: 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 FORM 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 IBM US Public Service GBS ("IBM GBS" or "the Contractor") paying you money, you agree that you will not file a complaint against the Contractor for alleged compensation discrimination under Executive Order 11246 covering the time period through the date of this executed Release. It also says that the Contractor does not admit it violated any laws enforced by OFCCP. This Release says you had sufficient time to look at the document and 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 IBM GBS to me, which I agree is acceptable, I (print name) _____ agree to the following:

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 IBM GBS's compensation practices during my employment with IBM GBS through the Effective Date of this Release. I hereby release IBM GBS, 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 IBM GBS's compensation 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 may include: 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 IBM GBS does not agree that it treated me unlawfully or unfairly in any way and that IBM GBS 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 compensation and to resolve the matter without further legal proceedings in the compliance review initiated by OFCCP related to the IBM GBS Public Sector

FAAP covered by the Conciliation Agreement. I further agree that the payment of the aforesaid sum by IBM GBS to me is not to be construed as an admission of any liability by IBM GBS.

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 free will to sign this Release.

IV.

I understand that if I do not sign this Release and return it to **IBM GBS** by the deadline listed on this form, I will not be entitled to receive any payment. I have signed this document of my own free will.

Signature: _____

Date: _____

Printed Name: _____

IBM Serial No: _____

Optional for former employees: Provide name, last four digits of Social Security number, address, and telephone number.

CONFIDENTIAL

Attachment D: Methodology

A. ANNUAL ANALYSIS:

(b) (7) (E)

(b) (7) (E)

(b) (7) (E)