

CONCILIATION AGREEMENT

Between

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

and

PPL ELECTRIC UTILITIES CORPORATION
Two North Ninth Street
Allentown, PA 18101

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated PPL Electric Utilities' ("PPL-EU") Functional Unit located at Two North Ninth Street, Allentown, PA 18101 and found that PPL-EU was not in compliance with Executive Order 11246, as amended ("E.O. 11246"), and its implementing regulations at 41 C.F.R. Sections 60-1 and 60-3. OFCCP notified PPL-EU of the specific violations found and the corrective actions required in a Notice of Violation issued on September 19, 2016. In the interest of resolving the violations without engaging in further legal proceedings and in exchange for the good and valuable consideration described in this document, OFCCP and PPL-EU enter this contract ("Conciliation Agreement" or "Agreement") and agree to all the terms stated below.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for PPL-EU's fulfillment of all obligations in Parts III and IV of this Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246 based on the alleged violations described in more detail in Part III below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part III if PPL-EU violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. PPL-EU agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. PPL-EU will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.
3. PPL-EU understands that nothing in this Agreement relieves PPL-EU of its obligation to fully comply with the requirements of E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 ("Section 503"), the Vietnam Era Veterans'

Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (“VEVRAA”), their implementing regulations, and other applicable equal employment laws.

4. PPL-EU promises not to harass, intimidate, threaten, discriminate, or otherwise retaliate against any individual because the individual: benefits from this Agreement, files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 C.F.R. § 60-1.32(a).
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This document and its attachments contain the complete and final understanding of the parties with respect to the matters referenced herein. This Agreement contains all terms by which the parties are bound and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing, signed by all parties.
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 of the Mid-Atlantic Region (the “Effective Date”) unless the Director of OFCCP indicates otherwise within 45 calendar days of the date the Regional Director signs the Agreement.
9. This Agreement will expire sixty (60) days after PPL-EU submits the final progress report required in Part IV, below, unless OFCCP notifies PPL-EU in writing prior to the expiration date that PPL-EU has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date that OFCCP determines PPL-EU has met all of its obligations under the Agreement.
10. If PPL-EU violates this Conciliation Agreement,
 - A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1) If OFCCP believes that PPL-EU violated any term of the Agreement while it was in effect, OFCCP will send PPL-EU a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) PPL-EU will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Conciliation Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - 3) If PPL-EU 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.

4) OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.

B. PPL-EU may be subject to the sanctions set forth in Section 209 of the Executive Order and other appropriate relief for violation of this Agreement.

11. This Agreement does not constitute an admission by PPL-EU of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that PPL-EU violated any laws.

PART III. SPECIFIC VIOLATIONS AND REMEDIES

1. **VIOLATION:** OFCCP alleges that PPL-EU discriminated against 20 female employees in the Key Account Manager (from January 1, 2014 to December 31, 2015) and Senior Analyst – EU (from January 1, 2014 to December 31, 2014) positions on the basis of gender with respect to their compensation, in violation of 41 C.F.R. §§ 60-1.4(a)(1), 60-20.2(b), and 60-20.4 (2016). In reaching this finding, OFCCP performed multiple regression analyses based on information gathered during the compliance review and found statistically significant disparities after controlling for factors that OFCCP contends affected compensation.

REMEDY: PPL-EU will examine, monitor and modify its compensation procedures as necessary and ensure that compensation practices are applied uniformly for the Key Account Manager and Senior Analyst – EU positions (and successor positions) and compensation decisions are made in a non-discriminatory manner, as required by 41 C.F.R. §§ 60-1.4(a)(1), 60-20.2(b), and 60-20.4. In addition, PPL-EU agrees to take the following actions:

A. **Notice:** Within 15 calendar days of the Effective Date of this Agreement, PPL-EU will notify the female Key Account Manager and Senior Analyst – EU employees listed in Attachment A of the terms of this Agreement by providing to current employees and by mailing to former employees by first class mail the Notice to Affected Employees, Claim Form, Release of Claims under Executive Order 11246, and a postage-paid return envelope. PPL-EU will notify OFCCP of all letters returned as undeliverable on a weekly basis. In addition, within 15 days after expiration of the response deadline set out in the Claim Form, PPL-EU will provide OFCCP with a list of the individuals in the affected class who have not yet responded to the Notice to Affected Employees and/or have not returned a signed Claim Form. OFCCP will then attempt to obtain and provide updated addresses to PPL-EU within 15 days of receiving the list from PPL-EU. PPL-EU agrees to mail by certified mail, return receipt requested, a second Notice to Affected Employees, Claim Form, Release of Claims Under Executive Order 11246, and postage-paid return envelope to all individuals for whom updated addresses were obtained within 15 days of receiving the updated addresses.

The individuals listed on Attachment B have already received a payment from PPL-EU. PPL-EU does not need to provide further notice of this Agreement to these individuals.

- B. Eligibility: All members of the affected class (listed on Attachment A) who sign and return the Claim Form and Release of Claims Under Executive Order 11246 within 45 days of the postmarked date on the envelope containing the Notice to Affected Employees and Claim Form (“Eligible Class Members”) will receive a share of the monetary settlement. If an individual receives, but does not return the Claim Form to PPL-EU within 45 days of the postmarked date on the envelope containing the first or second Notice to Affected Employees and Claim Form, she will no longer be entitled to a payment under this Agreement.

Within 15 days of the latest response deadline set out in the Claim Form, PPL-EU will provide OFCCP with a list of the Eligible Class Members (individuals who returned the Claim Form by the deadline). Within 15 days after receiving the list, OFCCP will approve the final list of Eligible Class Members or discuss with PPL-EU any issues necessary to finalize the list, such as the inclusion or exclusion of certain individuals.

- C. Monetary Settlement: PPL-EU agrees to distribute \$185,304.94, less payments previously made to the five (5) individuals listed on Attachment B, resulting in a total current distribution amount of \$168,586.21 (\$145,692.06 in back pay and \$22,894.15 in interest), less legal deductions required by law from back pay only (such as federal, state and/or local taxes and the Eligible Class Members’ share of FICA taxes), among all Eligible Class Members on the final approved list. The five individuals listed on Attachment B have already received a payment from PPL-EU; no further payment is necessary. PPL-EU will not make voluntary deductions from the payments to Eligible Class Members. PPL-EU will pay the Internal Revenue Services (“IRS”) the employer’s share of social security withholdings by the end of 2018. PPL-EU will mail each Eligible Hiring Class Member an IRS W-2 Form reporting the portion of the payment representing back pay and an IRS Form 1099 for the portion of the payment representing interest on or before January 31, 2019. PPL-EU will disburse the monetary settlement within 15 calendar days after OFCCP approves the final list of Eligible Class Members.

Within five calendar days of PPL-EU’s receipt of a check to an Eligible Class Member returned as undeliverable, PPL-EU will notify OFCCP of this fact via email sent to Edward J. Rogers, District Director, at [\(b\) \(6\), \(b\) \(7\)\(C\)@dol.gov](mailto:(b) (6), (b) (7)(C)@dol.gov). OFCCP will attempt to locate the Eligible Class Member, and if OFCCP obtains an alternate address, PPL-EU will re-mail the check within 5 calendar days of receiving an alternate or corrected address. Any check that remains uncashed 120 days after the initial date the check was mailed to the Eligible Class Member will be void. With respect to any uncashed funds, PPL-EU will make a second distribution to all Eligible Class Members who cashed their first check by mailing checks in amounts in proportion to the original payments received by the Eligible Class Members within 15 calendar days.

- D. Non-Monetary Remedies: PPL-EU will ensure that all employees are afforded equal employment opportunities. PPL-EU agrees to comply with all applicable laws, including but not limited to E.O. 11246 and its implementing regulations.

- 1) Eliminate Discriminatory Compensation Practices: PPL-EU agrees to immediately cease any remaining compensation practices which negatively affect the annual salaries of female employees in Key Account Manager and Senior Analyst – EU positions (or successor positions).
- 2) Key Account Manager and Senior Analyst – EU Pay Equity Evaluations: Within 120 days of the Effective Date of this Agreement, PPL-EU will conduct a study for the Key Account Manager and Senior Analyst – EU positions (or successor positions) to evaluate whether promotion decisions, performance evaluation ratings, procedures for assigning work, the availability of training opportunities, leave policies, steering applicants into low-paying jobs, and/or limiting the opportunity to transfer to better jobs have a disproportionately negative effect on the compensation of female employees.
- 3) Evaluation of Pay Practices: Within 120 days of the Effective Date of this Agreement, PPL-EU will evaluate its pay practices and eliminate any practices that have an adverse effect on the compensation of female Key Account Manager and Senior Analyst – EU employees (or successor positions).
 - a) PPL-EU will ensure that its compensation decisions are based solely on legitimate, non-discriminatory factors.
- 4) Training: Within 120 days of the Effective Date of this Agreement, PPL-EU must train all individuals involved in any way in determining compensation for Key Account Manager and Senior Analyst – EU positions (or successor positions) on all new and revised policies, procedures, and programs developed under Part III of this Agreement.
- 5) Self-Monitoring/Auditing: PPL-EU will monitor base salary as well as the administration of non-base compensation and benefits and adverse employment actions for any indication of statistically significant disparities based on sex and will investigate and remedy any such inequity that may be established.
 - a) PPL-EU expressly agrees to investigate any complaint or information it receives that may indicate compensation disparities.
 - b) PPL-EU commits to self-monitor its compensation program for Key Account Manager and Senior Analyst – EU positions (or successor positions) on an annual basis.
 - c) In accordance with 41 CFR 60-2.17(d), PPL-EU will design and implement an internal audit and reporting system to measure the effectiveness of its total affirmative action program, to include auditing and reporting of its compensation practices as they impact all employees.

PART IV. REPORTS REQUIRED

PPL-EU must submit the documents and reports described below to:

U.S. Department of Labor
Office of Federal Contract Compliance Programs
Attention: Edward J. Rogers, District Director
900 Market Street, Suite 311
Philadelphia, PA 19107

A. The first report shall be due on or before December 15, 2018 and will include:

1. The results of PPL-EU's Key Account Manager and Senior Analyst -- EU Pay Equity Evaluations and Evaluation of Pay Practices.
2. Documentation of the monetary payment to all Eligible Class Members as specified in the Remedy to Violation 1 above. The documentation must include the names of the Eligible Class Members who were paid, and, for each Eligible Class Member, the number and amount of the check and the date the check cleared the bank. PPL-EU must provide OFCCP with copies of all canceled checks and/or records reflecting EFTs (Electronic Funds Transfers) upon request.

B. The second report shall be due on or before May 15, 2019 and will include:

1. Documentation of the monetary payments made to the Eligible Class Members as specified the Remedy to Violation 1 above. The documentation must include the names of the Eligible Class Members who were paid, the number and amount of the checks, and the dates the checks cleared the bank. PPL-EU must provide OFCCP with copies of all canceled checks.
2. Documentation that all managers, supervisors, and other personnel involved in making compensation decisions for Key Account Manager and Senior Analyst -- EU positions (or successor positions) have received training on all new and revised policies, procedures, and programs developed under Part III.1.D.4.

PPL-EU will retain all records and data pertinent to the violations resolved by this Agreement and used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever date occurs later.

PART V: SIGNATURES

This Conciliation Agreement is hereby executed by and between the OFCCP and PPL Electric Utilities Corporation, Two North Ninth Street, Allentown, PA 18101.

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

GREG DUDKIN
President
PPL Electric Utilities Corporation

Date: 7/12/18

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

MICHELE HODGE
Regional Director
OFCCP Mid-Atlantic Region

Date: 7-13-18

ATTACHMENT A
AFFECTED CLASS MEMBERS

No.	Empl ID	Job Code / Title	Total
1	(b) (6), (b) (7)(C)	001010 - Key Account Manager	2,745.41
2	(b) (6), (b) (7)(C)	001010 - Key Account Manager	2,745.41
3	(b) (6), (b) (7)(C)	001010 - Key Account Manager	2,745.41
4	(b) (6), (b) (7)(C)	001010 - Key Account Manager	2,745.41
No.	Empl ID	Job Code / Title	Total
1	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
2	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
3	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
4	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
5	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
6	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
7	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
8	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
9	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
10	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69
11	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU	14,327.69

ATTACHMENT B

No.	Empl ID	Job Code / Title
1.	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU
2.	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU
3.	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU
4.	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU
5.	(b) (6), (b) (7)(C)	005275 - Senior Analyst-EU

If you are a female and are or were employed by PPL in the Key Account Manager or Senior Analyst positions you may benefit from a recent legal settlement with the U.S. Department of Labor

We are writing to provide information about a legal settlement between the U.S. Department of Labor and PPL-EU that may benefit you. This settlement involves claims of pay discrimination, and our records show that you may be one of the employees or former employees 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.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) conducted a review of PPL-EU's compensation practices starting on January 1, 2014. OFCCP is the government agency responsible for enforcing the nondiscrimination and equal employment opportunity through affirmative action requirements that apply to federal contractors. OFCCP issued a Notice of Violation alleging that PPL-EU had discriminated against certain female employees in connection with their pay. PPL-EU denied those claims. Ultimately, OFCCP and PPL-EU agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the actions the contractor must take to remedy the problems described in the Notice of Violation issued by OFCCP.

As a result, PPL-EU has agreed to pay back wages and interest to affected employees in the Senior Analyst - EU (11 employees) and Key Account Managers (4 employees) positions.

WHAT DOES THIS MEAN FOR YOU?

You may be eligible to receive a payment of \$ under the Conciliation Agreement. This payment amount represents your likely share of back wages and other payments PPL-EU is making to settle the Notice of Violation. The final amount you will receive will be reduced by deductions required by law for items such as income tax withholding and Social Security contributions.

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

WHAT IS YOUR NEXT STEP?

You should read this Notice, the Claim and Release forms, and any other information you received from Linda Greenwald at PPL-EU.

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

To be eligible for a payment, you must complete, sign, and return the two enclosed forms: (1) the Claim Form and (2) the "Release of Claims Under Executive Order 11246" form [by X date]. Send your completed and signed forms to:

Linda Greenwald
Human Resources VP - EU
PPL EU Services Corporation
Two North Ninth Street, GENTW2
Allentown, PA 18101-1179

The forms must be post-marked or delivered by insert actual date.

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 documents, a final decision will be made about your eligibility.

If you fail to return both of the required forms by the deadline, or if your forms do not verify your eligibility, you will not be eligible to receive any money or any other benefits from the settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact (b) (6), (b) (7)(C) or

(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.

Claim Form

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS CLAIM FORM.

INSTRUCTIONS FOR FILING A CLAIM TO BE CONSIDERED FOR MONEY (BACK WAGES) FROM THE SETTLEMENT

DEADLINE TO RESPOND IS XX DAY, XX MONTH, XXXX YEAR

You may be eligible for a money payment from the settlement.

To receive benefits (such as money), you must complete and return this Claim Form and the enclosed Release Form. Both forms must be postmarked or delivered on or before [*Deadline above*], to:

Linda Greenwald
Human Resources VP – EU
PPL EU Services Corporation
Two North Ninth Street, GENTW2
Allentown, PA 18101-1179

If you do not submit a completed Claim Form and Release Form on or before [*Deadline above*], then your claim will not be on time and **you will not receive any benefits from this settlement.**

Enclosed is a stamped, pre-addressed envelope you can use.

This Claim Form will only be used to confirm important information we need in order to make sure you are eligible to receive money under this settlement and process your payment.

NOTE: This notice is only for the person it was sent to and cannot be transferred or used by another person who is not part of the settlement.

Step 1: Please confirm the following contact information to process your payment (please PRINT legibly).

First Name: _____ Last Name _____

Any other names you have used: _____

Home Phone: _____

Cell Phone: _____

Email Address: _____

- I confirm that the address on the cover letter is correct.
- The address on the cover letter is not correct. My correct address is:

Address: _____

Please verify [or provide] the last four digits of your social security number _____
The last four digits of your Social Security Number are required in order to process your payment for tax purposes. Your Social Security Number will not be used for any other purpose.

Notify us at the address below if your address changes or contact us if you have any questions about this claim form, the notice, or the settlement.

Linda Greenwald
Human Resources VP – EU
PPL EU Services Corporation
Two North Ninth Street, GENTW2
Allentown, PA 18101-1179

Step 2: Sign and return along with the Release Form

I certify the above as true and correct.

Signature

Date

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 A PAYMENT FROM THE SETTLEMENT

This Release of Claims under Executive Order 11246 ("Release") is a legal document. This document states that in return for PPL-EU ("Contractor") providing you with money, you agree that you will not file any lawsuit against Contractor for allegedly violating Executive Order 11246 by discriminating against female employees on the basis of their sex with respect to their compensation. 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 the payment of at least \$ (less deductions required by law) by Contractor to me, which I agree is acceptable, I agree to the following:

I.

I hereby waive, release and forever discharge Contractor, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, owners, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to compensation discrimination against female employees beginning on January 1, 2014.

II.

I understand that Contractor denies that it treated me unlawfully or unfairly in any way and that Contractor 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 without further legal proceedings all issues related to OFCCP's compliance review of Contractor initiated on July 29, 2014. I further agree that the payment of the aforesaid sum by Contractor to me is not to be construed as an admission of any liability by Contractor. I further acknowledge and agree that the Contractor will not be making voluntary deductions from the payment, such as deductions for 401(k) or other retirement and retirement savings plans.

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.

I understand that if I do not sign this Release and return it to Linda Greenwald, Director of Human Resources at PPL-EU, such that it is received by [DATE], 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: _____