

CONCILIATION AGREEMENT

Between

THE U. S. DEPARTMENT OF LABOR

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

and

PARKER HANNIFIN CORPORATION
COMPOSITE SEALING SYSTEMS
7664 PANASONIC WAY
SAN DIEGO, CA 92154

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs (“OFCCP”) commenced a compliance evaluation of Parker Hannifin’s establishment located at 7664 Panasonic Way, San Diego, CA 92154, (hereinafter “San Diego Establishment”) beginning on May 18, 2015 and found that Parker Hannifin (hereinafter “Parker Hannifin-CSS San Diego”) was not in compliance with Executive Order 11246, as amended (“E.O. 11246”), and its implementing regulations at 41 C.F.R. Chapter 60. OFCCP notified Parker Hannifin-CSS San Diego of the initial violations found and the corrective actions required in a Notice of Violations (“NOV”) issued on August 17, 2017. 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 Parker Hannifin-CSS San Diego 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.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for Parker Hannifin-CSS San Diego’s fulfillment of all obligations in Parts III, IV, and V of this Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246 based on the violations described in more detail in the NOV and 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 Parker Hannifin-CSS San Diego violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review Parker Hannifin-CSS San Diego’s compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Parker Hannifin-CSS San Diego

will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

3. Nothing in this Agreement relieves Parker Hannifin-CSS San Diego of its obligation to fully comply with the requirements of E.O. 11246, Section 503 of the Rehabilitation Act of 1973 ("Section 503"), as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended ("VEVRAA"), their implementing regulations, and other applicable equal employment laws.
4. Parker Hannifin-CSS San Diego 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 Agreement 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 and 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 Pacific Region (the "Effective Date.")
9. This Agreement will expire one hundred and twenty (120) days after Parker Hannifin-CSS San Diego submits its final report, unless OFCCP notifies Parker Hannifin-CSS San Diego in writing prior to the expiration date that Parker Hannifin-CSS San Diego has failed to fulfill all of its obligations under the Agreement, in which case, the Agreement is automatically extended until the date that OFCCP determines Parker Hannifin-CSS San Diego has met all of its obligations under the Agreement.
10. If OFCCP believes that Parker Hannifin-CSS San Diego has violated this Agreement,
 - A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1) OFCCP will send Parker Hannifin-CSS San Diego a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) Parker Hannifin-CSS San Diego will have 15 calendar 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.

3) If Parker Hannifin-CSS San Diego 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 contained in Chapter 60 of Title 41 of the Code of Federal Regulations.

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. Parker Hannifin-CSS San Diego 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.

11. This Agreement does not constitute an admission by Parker Hannifin-CSS San Diego of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, implementing regulations, or other federal contractor obligations enforced by OFCCP, nor has there been an adjudicated finding that Parker Hannifin-CSS San Diego violated any laws, implementing regulations, or other federal contractor obligations enforced by OFCCP.
12. All references to “days” in this Agreement are to calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or Federal holiday, that deadline will be extended to the next business day.

PART III. SPECIFIC VIOLATIONS

OFCCP alleges, and Parker Hannifin-CSS San Diego expressly denies, the following:

1. **VIOLATION**: At least as of January 1, 2014, Parker Hannifin-CSS San Diego discriminated against female employees in Operatives positions by paying them less than similarly-situated male employees in Operatives positions, in violation of Executive Order 11246 §202(1), and 41 C.F.R. § 60-1.4(a)(1). During the compliance review, OFCCP reviewed employment policies, practices, and records; interviewed management, human resources, and non-management employees; analyzed individual employee compensation data and other evidence; and conducted an onsite inspection of the worksite. Based on the information gathered during the compliance review, OFCCP conducted an analysis of Parker Hannifin-CSS San Diego’s compensation systems and, through regression analysis, found statistically-significant pay disparities based on sex in Operatives positions for the period 2014 through 2016 (the period for which data was provided), after controlling for legitimate explanatory factors.
2. **VIOLATION**: At least as of January 1, 2014, Parker Hannifin discriminated against female employees in the Operatives positions by placing or steering them into certain

positions with different opportunities and benefits. For example, female employees are concentrated to a statistically significant degree in molding positions for which the wage rates and cross training opportunities are significantly lower than other positions such as machining. Females are also concentrated in lower level pay grades within the hourly compensation system.

3. **VIOLATION**: At least as of January 1, 2014, Parker Hannifin-CSS San Diego failed to comply with 41 C.F.R. § 60-2.17(b) and (c), which require contractors: to perform in-depth analyses of their total employment process to determine whether and where impediments to equal employment opportunity exist, including evaluating the contractor's compensation system to determine whether there are gender-, race-, or ethnicity-based disparities; and to develop and execute action-oriented programs designed to correct any problem areas identified in its analyses.
4. **VIOLATION**: At least as of January 1, 2014, Parker Hannifin-CSS San Diego failed to comply with 41 C.F.R. § 60-2.17(d), which requires contractors to develop and implement an auditing system that periodically measures the effectiveness of its total affirmative action program.
5. **VIOLATION**: Parker Hannifin-CSS San Diego failed to collect, maintain, preserve records and information required to be maintained by the regulations in 41 C.F.R. Chapter 60, including records required by 41 C.F.R. § 60-1.12(a).
6. **VIOLATION**: Parker Hannifin denied OFCCP access to records and systems, which were relevant to the matter under investigation and pertinent to Parker Hannifin's compliance with E.O. 11246 and the regulatory requirements at 41 C.F.R. §§ 60-1.12, 60-1.20, and 60-1.43.

Part IV. REMEDIES

1. **Prohibition Against Sex Discrimination** - Parker Hannifin-CSS San Diego, its officers, agents, successors, shall not engage in any employment practice which discriminates on the basis of sex, including but not limited to compensation discrimination.
2. **Monetary – Back pay and Interest:**
 - A. **Creation of Settlement Fund** - Parker Hannifin-CSS San Diego agrees to pay One Hundred Ninety Nine Thousand and Five Dollars (\$199,005) in lost wages and Twenty Two Thousand Nine Hundred Ninety Five Dollars (\$22,995) in interest, totaling Two Hundred Twenty-Two Thousand Dollars and No Cents (\$222,000.00) (“Settlement Fund”), to be distributed to Eligible Class Members in accordance with the procedures outlined below.
 - B. **Identifying Eligible Class Members**

- i. **Notice:** Within 20 days of the Effective Date of this Agreement, Parker Hannifin-CSS San Diego must provide notice to all “Affected Class Members,” which is defined as the 37 female employees and former employees who held Operatives positions (machinists, molders, shipping, technicians) at the San Diego Establishment at any time between January 1, 2014 – January 1, 2016. The notice shall include: Notice to Affected Class (Attachment A, “Notice”), Information Verification Form (Attachment B, “Information Form”), Release of Claims (Attachment C, “Release”) and a postage paid return envelope. For current female employees, notice will be provided by hand delivery at the workplace. For former employees, notice shall be made by mailing a first class, return-receipt requested, certified letter. Parker Hannifin-CSS San Diego shall provide OFCCP with verification that it has completed this step via email to District Director Sean Ratliff ((b) (6), (b) (7)(C))@dol.gov and Compliance Officer ((b) (6), (b) (7)(C)) ((b) (6), (b) (7)(C))@dol.gov).
- ii. Each Affected Class Member (or his/her legal representative in the event that she is deceased) shall be given 33 days from the postmarked date of the Notice to respond by returning the completed Information Form and Release to Parker Hannifin-CSS San Diego. Any response delivered or postmarked by the 33rd day following the date of receipt of the Notice shall be considered to have been submitted within the 33-day period.
- iii. Parker Hannifin-CSS San Diego will notify OFCCP, via email sent to District Director Sean Ratliff ((b) (6), (b) (7)(C))@dol.gov and Compliance Officer ((b) (6), (b) (7)(C)) ((b) (6), (b) (7)(C))@dol.gov on a weekly basis, of all letters returned as undeliverable. In addition, within 10 days after expiration of the response deadline set out in the Information Form, Parker Hannifin-CSS San Diego will provide OFCCP with a list of Affected Class Members who have not yet responded to the Notice and/or have not returned a signed Information Form and Release. OFCCP will then attempt to obtain and provide updated addresses to Parker Hannifin-CSS San Diego within 15 days of receiving the list from Parker Hannifin-CSS San Diego. Parker Hannifin-CSS San Diego agrees to mail, first class, return-receipt requested, certified, a second Notice, Information Form, Release, and postage paid return envelope to all Affected Class Members for whom updated addresses were obtained within 10 days of receiving the updated addresses. Parker Hannifin-CSS San Diego shall provide OFCCP with verification that it has completed this step via email to District Director Sean Ratliff ((b) (6), (b) (7)(C))@dol.gov and Compliance Officer ((b) (6), (b) (7)(C)) ((b) (6), (b) (7)(C))@dol.gov).
- iv. Parker Hannifin-CSS San Diego shall compile a list of all Affected Class Members who have submitted the Information Form and Release in accordance with the instructions in the Notice and within the time period specified above in response to either the initial mailing of the Information

Form or the second mailing. Parker Hannifin-CSS San Diego may choose to include on the list any Affected Class Member who returned a completed Information Form and Release after the time period expired, but it is under no obligation to do so.

- v. Within 10 days of its receipt of the last completed Information Forms and Releases timely submitted after the initial or second mailing, or within 5 days after the expiration of time to respond to the second mailing, whichever is sooner, Parker Hannifin-CSS San Diego shall submit to OFCCP, via overnight mail and/or email to District Director Sean Ratliff ((b) (6), (b) (7)(C))@dol.gov) and Compliance Officer ((b) (6), (b) (7)(C)) ((b) (6), (b) (7)(C))@dol.gov), a list of all Affected Class Members who completed Information Forms and Releases as well as copies of all completed Information Forms and Releases. If applicable, Parker Hannifin-CSS San Diego will also identify any Affected Class Members who did not provide an Information Form and Release in response to the Notice.
- vi. Within 10 days after receiving the information in Paragraph 2(B)(v) above, OFCCP will inform Parker Hannifin-CSS San Diego of specific payment amounts, and approve a "Final List" of Eligible Class Members, or OFCCP will discuss with Parker Hannifin-CSS San Diego any issues necessary to finalize the list, such as the inclusion or exclusion of certain Affected Class Members. The parties will negotiate in good faith to resolve any dispute between them about inclusion or exclusion of any Affected Class Member on the Final List. Any Affected Class Members whom the parties agree will be added to the Final List pursuant to this paragraph will be added by OFCCP no later than 15 days after OFCCP's receipt of information in Paragraph 2(B)(v) above. The Affected Class Members that both sides agree should be on the Final List are deemed "Eligible Class Members."
- vii. Class Members who do not respond to the Notice at all shall not be entitled to any portion of the Settlement Fund. Class Members who complete the Verification Form and Release but return them to Parker Hannifin-CSS San Diego after the thirty-three (33) day period has expired shall not be entitled to any portion of the Settlement Fund unless the parties agree to include their names on the Final List.

C. **Payment to Eligible Class Members:** Within 15 days of its receipt of the Final List, Parker Hannifin-CSS San Diego will initiate payment to the Eligible Class Members according to the following prescriptions:

- i. For payments designated as back pay, Parker Hannifin-CSS San Diego will pay the employer's share of social security withholdings and any

other required payments to the appropriate government agencies and will mail each Eligible Class Member an IRS Form W-2 at the end of the applicable tax year in which the funds are disbursed. For payments designated as interest, Parker Hannifin-CSS San Diego will not make withholdings, and will use IRS Form 1099 to report payment. IRS forms will be mailed at the end of the applicable tax year in which the funds are disbursed.

- ii. Eligible Class Members who are employed by Parker Hannifin-CSS San Diego shall be paid in the manner in which the Eligible Class Member is normally paid her regular salary (*e.g.*, direct deposit, check), in respective amounts denoted in the Final List, subject to all lawful deductions set forth above.
- iii. All other Eligible Class Members not employed by Parker Hannifin-CSS San Diego at the time payments are made, shall be paid via checks sent by certified mail, in the amounts denoted in the Final List, subject to all lawful deductions set forth above.
- iv. Within 10 days of making the payments described in this paragraph, Parker Hannifin-CSS San Diego shall provide OFCCP with proof of all payments.
- v. If Parker Hannifin-CSS San Diego receives notice that any checks were undeliverable, it shall notify OFCCP within 10 days via email sent to District Director Sean Ratliff (^{(b) (6), (b) (7)(C)}@dol.gov) and Compliance Officer ^{(b) (6), (b) (7)(C)} ^{(b) (6), (b) (7)(C)}@dol.gov). OFCCP will then have 30 calendar days to attempt to locate the specific Eligible Class Member and if OFCCP obtains an alternate address, Parker Hannifin-CSS San Diego will mail the check by certified mail within 10 days of receiving an alternate or corrected address.
- vi. Any check sent to an Eligible Class Member which remains uncashed 180 calendar days after either the date on which the check was initially mailed to the Eligible Class Member, or the date on which the check was mailed to the Eligible Class Member for the second time pursuant to the process described above, or which is returned as undeliverable after the process described above has been completed, whichever is later, shall be void.
- vii. Any amount of money remaining in the Settlement Fund, if any, shall be evenly distributed among all Eligible Class Members who cashed their first check. Parker Hannifin will provide OFCCP with notification and evidence of payment if this should occur.

3. Compensation Review and Monitoring

- A. Within 60 days of the Effective Date of this Agreement, and annually for two years thereafter, Parker Hannifin-CSS San Diego will conduct a regression analysis for all employees in Operatives positions at the San Diego Establishment to determine if there are statistically-significant disparities in compensation based on sex. The regression will control for any factors that affect compensation for Operatives employees, such as tenure with the company. Parker Hannifin-CSS San Diego will investigate and remedy statistically-significant compensation disparities within 30 days, through salary adjustments. Downward adjustments to male salaries are not permitted. Nor is reassignment of male employees.
 - B. As part of its reporting obligations below, Parker Hannifin-CSS San Diego will provide OFCCP with a copy of the regression analyses results. Parker Hannifin-CSS San Diego will also provide OFCCP with enough information for OFCCP to replicate Parker Hannifin-CSS San Diego's regression analysis, including, but not limited to, a copy of the compensation databases used in its analyses. Parker Hannifin-CSS San Diego will provide OFCCP with all information relating to any pay adjustments.
4. **Policy Review:** Within 30 calendar days of the Effective Date of this Agreement, and annually thereafter during the term of this Agreement, Parker Hannifin-CSS San Diego will review, and revise as appropriate, its policies and procedures with respect to compensation, hiring, placement, promotion, employee training, and performance evaluations to ensure that:
- A. Female employees in Operative positions are not being discriminated against with respect to compensation;
 - B. Female employees and applicants have an equal opportunity to apply for, express interest in, or be hired into all Operative positions regardless of gender, including disclosing to all applicants accurate information about the duties, rates of pay, benefits, working conditions, and other aspects of employment for these positions;
 - C. Job descriptions, job postings, and other hiring guidance do not contain unnecessary qualifications or other standards that have the effect of excluding or otherwise discouraging female applicants from Operative positions;
 - D. Female employees in Operative positions and applicants for Operative positions are provided the same opportunities as males in terms of placement, transfer, and promotion within internal ranks;
 - E. Female employees in Operative positions are provided equal access and encouragement to cross training in other positions;
 - F. Performance evaluation criteria and assessment processes do not adversely affect female employees in Operative positions.

5. **Job Openings** – During the term of this Agreement and until such time as female employees at the San Diego Establishment are fully represented in the various Operatives positions and levels where OFCCP’s investigation found underrepresentation, Parker Hannifin will encourage female employees in all Operatives positions (Machining, Molding, Shipping, and Technician) to apply for such openings. Parker Hannifin will maintain documentation of these efforts and include them in the reports discussed below.

6. **Training**: Within 120 days of the Effective Date of this Agreement, and annually thereafter during the term of this Agreement, Parker Hannifin will provide training to hiring managers and human resources staff involved in compensation decisions at the San Diego Establishment, as well as employees in Operatives positions at the San Diego Establishment. Parker Hannifin will maintain records of all training materials and attendance. The training, at minimum, shall cover:
 - A. The substance of this Agreement;
 - B. Parker Hannifin’s policies and procedures concerning Equal Employment Opportunity and Affirmative Action;
 - C. All policies reviewed pursuant to this Agreement, as well as any revisions made thereto;
 - D. Methods for reporting concerns about employment discrimination, including compensation discrimination;
 - E. Penalties for engaging in discriminatory behavior; and
 - F. Prohibitions against retaliation.

7. **Identification of other Problem Areas**: Within 30 days of the Effective Date of this Agreement, and annually thereafter, Parker Hannifin will reassess its personnel activity data for the San Diego Establishment to ensure that it is collecting, maintaining, and reporting accurate information. Thereafter, in addition to the compensation analyses described above, Parker Hannifin will perform in-depth analyses of its total employment process and accurately identify problem areas as required by 41 C.F.R. § 60-2.17(b).

8. **Action-Oriented Programs**: If Parker Hannifin-CSS San Diego identifies any problems pursuant to the reviews conducted in paragraph 7 above, it will develop and execute action-oriented programs pursuant to 41 C.F.R. § 60-2.17(c).

9. **Internal Audit and Reporting System**: Within 30 days of the Effective date of this Agreement, and annually thereafter, Parker Hannifin-CSS San Diego will continue to develop and implement an internal auditing system that periodically measures the effectiveness of its total affirmative action program in accordance with 41 C.F.R. § 60-2.17(d)(1)-(4).

- 10. Recordkeeping:** Parker Hannifin-CSS San Diego will ensure that its records are collected and maintained in accordance with the requirements of 41 C.F.R. § 60-1.12(a) and will provide any such records upon the request of OFCCP.

Part V. REPORTS REQUIRED

Unless otherwise stated herein, Parker Hannifin-CSS San Diego will submit the documents and reports described below to:

Sean Ratliff
District Director
U.S. Department of Labor
Office of Federal Contract Compliance Programs
San Diego District Office
550 West C. Street, Ste. 900
San Diego, CA 92101

1. **Claims Process and Back pay Reporting** – Parker Hannifin-CSS San Diego will provide all reports and information required by Section IV(2) above in accordance with the timelines contained therein.
2. **Initial Report** – Within 120 days of the Effective Date of this Agreement, Parker Hannifin-CSS San Diego will submit the following:
 - A. Copies of the regression analysis results, support data, and compensation-adjustment documentation associated with the compensation review described in Section IV(3) above;
 - B. Certification that Parker Hannifin-CSS San Diego conducted the policy review described in Section IV(4) above, including copies of all policies reviewed and revised in accordance therewith;
 - C. In accordance with Section IV(5) above, a list of all openings for Operatives positions since the Effective Date, to include the open position, the names and gender of all applicants, the name of the selectee, and evidence that Parker Hannifin reached out to existing female employees to encourage them to apply;
 - D. Copies of training records and attendance as described in Section IV(6) above;
 - E. Certification that Parker Hannifin-CSS San Diego has complied with the requirements of 41 C.F.R. 60-2.17 as described in sections IV(7)-(9) above;
 - F. Certification that Parker Hannifin-CSS San Diego is in compliance with the recordkeeping obligations at 41 C.F.R. § 60-1.12(a);

3. **Annual Reports** – Annually, for two years after the Initial Report described in Section V(2) above, Parker Hannifin-CSS San Diego will submit a progress report that includes the following:
 - A. Copies of the regression analysis results, support data, and compensation-adjustment documentation associated with the compensation review described in Section IV(3) above;
 - B. Certification that Parker Hannifin-CSS San Diego conducted the policy review described in Section IV(4) above, including copies of all policies reviewed and revised in accordance therewith;
 - C. In accordance with Section IV(5) above, a list of all openings for Operatives positions during the relevant timeframe of each report, to include the open position, the names and gender of all applicants, the name of the selectee, and evidence that Parker Hannifin-CSS San Diego contacted existing female employees to encourage them to apply;
 - D. Copies of training records and attendance as described in Section IV(6) above;
 - E. Certification that Parker Hannifin-CSS San Diego has complied with the requirements of 41 C.F.R. 60-2.17 as described in sections IV(7)-(9) above;
 - F. Certification that Parker Hannifin-CSS San Diego is in compliance with the recordkeeping obligations at 41 C.F.R. § 60-1.12(a);
4. Parker Hannifin-CSS San Diego agrees to retain all records and data pertinent to the violations resolved by this Agreement and/ or used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever time period is longer.

Part VI. SIGNATURES

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

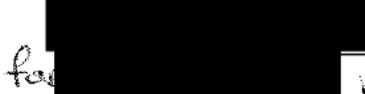
This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Parker Hannifin Corporation, Composite Sealing Systems, 7664 Panasonic Way, San Diego, CA 92154.

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

Jim Randall
General Manager
Parker Hannifin Corporation
Composite Sealing Solutions
San Diego, CA

Date: 7/16/18

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

for  (Sean Ratliff)
Compliance Officer
OFCCP, San Diego District Office

Date: 07/26/2018

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

Sean Ratliff
District Director
OFCCP, San Diego District Office

Date: 07/26/2018

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

Jane Suhr
Acting Regional Director
OFCCP, Pacific Region

Date: 7/31/2018

ATTACHMENT A (To be sent in English and Spanish)

[Insert Parker Hannifin-CSS San Diego Letterhead]

NOTICE TO AFFECTED CLASS

Dear [NAME]:

Parker Hannifin Corporation-Composite Sealing Systems (“Parker Hannifin-CSS San Diego”) and the Department of Labor’s Office of Federal Contract Compliance Programs (“OFCCP”) have entered into a Conciliation Agreement (“Agreement”) to remedy the violations of Executive Order 11246 (“E.O. 11246”) that OFCCP found during a compliance review of Parker Hannifin-CSS San Diego’s facility located at 7664 Panasonic Way San Diego, CA 92154. OFCCP’s analysis showed that in 2014 – 2016, Parker Hannifin-CSS San Diego paid women in Operative positions less per year on average than similarly-situated men in Operative positions. OFCCP further found that women in Operative positions were placed into lower-paying Operative positions. Parker Hannifin-CSS San Diego denies any violation of any laws or affirmative action regulations and/or requirements and there has not been any adjudicated finding that Parker Hannifin-CSS San Diego violated any laws. OFCCP and Parker Hannifin-CSS San Diego entered into the Agreement to resolve the matter without resorting to further legal proceedings.

You have been identified as one of the individuals who worked in an Operative position in 2014 - 2016. Under the Agreement, you may be eligible to receive a payment of at least \$2500.00 (less deductions required by law). Under the terms of the Agreement it may take up to six months from the date of this letter before you receive your payment. In order to be eligible for a payment, you must complete, sign, and return the enclosed Information Verification Form and Release of Claims. These forms should be mailed as soon as possible; they *must* be postmarked to the address below no later than 33 days after the date this Notice was mailed out (postmarked) or hand delivered to you for you to be entitled to participate in this settlement:

[Name of POC]
[Position]
Parker Hannifin-CSS San Diego
[Address]

You may use the enclosed postage-paid return envelope to return the completed and signed Information Verification Form and Release.

If you have any questions you may call [NAME] at [CONTRACTOR] at [PHONE NUMBER], or the San Diego District Office of OFCCP at (619) 557-7400. Your call will be returned as soon as possible.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENT(S) TO PARKER HANNIFIN-CSS SAN DIEGO WITHIN 33 DAYS OF THE DATE THE

ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

Sincerely,

(NAME)

Enclosures
Information Verification Form

ATTACHMENT B (To be sent in English and Spanish)

INFORMATION VERIFICATION FORM

You must complete this form in order to be eligible for the monetary payment under the terms of the Conciliation Agreement (“Agreement”) between Parker Hannifin Corporation-Composite Sealing Systems (“Parker Hannifin-CSS San Diego”) and the Department of Labor’s Office of Federal Contract Compliance Programs. Please print legibly, except for the signature.

Name: _____

Address: _____

Telephone: _____ (Home)

_____ (Cell)

_____ (Work)

Your Social Security Number or Tax Identification (EIN) Number (to be used for tax purposes only):

_____ - _____ - _____

For purposes of this settlement, it is necessary to verify your gender (circle one):

Male

Female

Notify Parker Hannifin-CSS San Diego at the address below if your address or phone number changes within the next twelve months.

[INSERT ADDRESS FOR RETURN]

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS ABOVE WITHIN 33 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

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

Signature: _____ Date: _____

ATTACHMENT C (To be sent in English and Spanish)

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for Parker Hannifin Corporation-Composite Sealing Systems ("Parker Hannifin-CSS San Diego") paying you money, you agree that you will not file any lawsuit against Parker Hannifin for allegedly violating Executive Order 11246 in its compensation of women in Operatives positions in 2014-16. It also says that Parker Hannifin does not admit it violated any laws. 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 monetary payment of at least \$2500.00 (less deductions required by law) by Parker Hannifin-CSS San Diego to me, which I agree is acceptable, I
agree to the following:

(print name)

I.

I understand that the monetary payment made by Parker Hannifin-CSS San Diego to me is my portion of the monetary settlement between the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and Parker Hannifin-CSS San Diego, and that the actual payment to me will be reduced, in part, to account for legally required payroll deductions such as income tax withholding and Social Security contributions. I understand that this payment will be reflected on an Internal Revenue Service Form W-2 and a Form 1099 at the end of the calendar year in which the payment is made. Monies reported on the Form 1099 will not be reduced for taxes or other payroll deductions and I understand that I may owe income taxes on the amounts reported to me on the Form 1099.

II.

In exchange for the monetary amount set forth above, I hereby waive, release and forever discharge Parker Hannifin-CSS San Diego, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, 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 my compensation on the basis of my gender at any time prior to December 31, 2016.

III.

I understand that Parker Hannifin-CSS San Diego denies that it treated me unlawfully or unfairly in any way and that Parker Hannifin-CSS San Diego entered into a Conciliation Agreement with

the OFCCP and agreed to make the payment described above to resolve alleged disparities in compensation and to resolve this matter without further legal proceedings. I further agree that any monetary payment by Parker Hannifin-CSS San Diego to me is not to be construed as an admission of any liability by Parker Hannifin-CSS San Diego.

IV.

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.

V.

I understand that if I do not sign and return this Release of Claims and the Information Verification form and return it to Parker Hannifin-CSS San Diego within thirty-three (33) days from the date the envelope containing this release was postmarked or hand-delivered to me, I will not be entitled to receive any monetary payment from Parker Hannifin-CSS San Diego under the settlement between OFCCP and Parker Hannifin.

IN WITNESS WHEREOF, I have signed this document.

Signature

Date

Printed Name