

## CONCILIATION AGREEMENT

Between

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

and

ANADARKO INDUSTRIES L.L.C.  
17625 El Camino, Suite 410  
Houston, TX 77058

### PART I: GENERAL PROVISIONS:

1. This Conciliation Agreement ("Agreement") is between the Office of Federal Contract Compliance Programs ("OFCCP") and Anadarko Industries, L.L.C. ("Anadarko").
2. The violation identified in this Agreement was found during a compliance evaluation of Anadarko's facility located at 17625 El Camino, Suite 410, Houston, Texas 77058, which began on October 8, 2009, and was specified in a Notice of Violation issued on June 23, 2010. OFCCP alleges that Anadarko has violated Executive Order 11246, as amended ("Executive Order"), the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 USC § 4212 ("VEVRAA"), and their implementing regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by Anadarko of any violation of the Executive Order, VEVRAA and their implementing regulations.
4. The provisions of this Agreement will become part of Anadarko's written affirmative action program ("AAP") for Anadarko's facility at 17625 El Camino, Suite 410, Houston, Texas 77058. Subject to the performance by Anadarko of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Anadarko with all OFCCP programs will be deemed resolved. However, Anadarko is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
5. Anadarko agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to Anadarko's compliance. Anadarko shall permit access to its premises during normal business hours for these purposes.

6. Nothing herein is intended to relieve Anadarko from the obligation to comply with the requirements of the Executive Order, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 ("Section 503") and/or VEVRAA, and their implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Anadarko agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceeding under the Executive Order, Section 503, and/or VEVRAA.
8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Houston District Director ("District Director"), unless the Acting Regional Director of the Southwest and Rocky Mountain Region, OFCCP, or the Director, OFCCP, indicates otherwise within 45 calendar days of the District Director's signature on this Agreement.
9. If at any time in the future, OFCCP believes that Anadarko has violated any portion of this Agreement during the term of this Agreement, Anadarko will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide Anadarko with 15 calendar days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes that Anadarko has violated this Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violation resolved by this Agreement.

Liability for violation of this Agreement may subject Anadarko to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-250.66/41 CFR 60-300.66 and/or other appropriate relief.

## **PART II: SPECIFIC PROVISION:**

1. **VIOLATION:** OFCCP found that Anadarko failed to apply its compensation policy in a consistent and uniform manner, resulting in disparate pay practices against female employees in the Buyer job title. OFCCP found this to be a violation of 41 CFR 60-1.4(a)(1).

OFCCP found that (b) (6), (b) (7)(C), (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) were paid less than a similarly-situated male employee, (b) (6), (b) (7)(C). Despite OFCCP's evaluation of pertinent documents, review of compensation procedures and interviews with hiring officials and employees, OFCCP has been unable to identify a legitimate non-discriminatory reason for the compensation disparities. OFCCP does not agree with the company's position that (b) (6), (b) (7)(C) previous experience explains and justifies the differences in pay. By entering into this Agreement, however, Anadarko has not admitted, nor has there been an adjudicated finding, that Anadarko violated any laws. Anadarko has entered into this Agreement to resolve the matter without further legal proceedings.

**REMEDY:** Anadarko agrees to uniformly apply and monitor the compensation practices and/or policies that OFCCP contends caused the compensation disparities. Anadarko agrees to implement "make whole actions" including making appropriate salary adjustments and providing back pay, as indicated below.

Anadarko agrees to promote (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) to the position of Buyer II within 90 days of the effective date of this Agreement at which time they will receive a salary increase of at least 2% of their annual base pay. The promotions are subject to the approval of the modification of the contract under which they are funded.

Specifically, Anadarko agrees to notify the females within 15 calendar days of the effective date of this Agreement (the effective date is the date of the District Director's signature) of the terms of this Agreement by personal delivery (with the females' pay checks or by first class mail return receipt requested) the Notice to Class Members (Attachment 1, "Notice") and the Release of Claims Under Executive Order 11246 (Attachment 2, "Release"). Anadarko will notify OFCCP upon receiving an undeliverable returned letter and information on the females who have not yet responded to the Notice and/or have not returned a fully executed Release. OFCCP will then initiate efforts to locate the individuals and provide updated contact information to Anadarko. The females have thirty (30) days from the date of delivery to sign the Release and return it to Anadarko.

For the females who sign and return the Release within thirty (30) days of the date of delivery, Anadarko also agrees to provide back pay and interest to them as follows:

**Back Pay and Interest**

Employee	Back Pay Amount	Interest Amount	Total
(b) (6), (b) (7)(C)	\$ 3,537.42	\$112.11	\$ 3,649.53
	\$ 2,179.60	\$ 78.13	\$ 2,257.73
	\$ 1,970.07	\$ 72.64	\$ 2,042.71
<b>Total</b>	<b>\$ 7,687.09</b>	<b>\$262.88</b>	<b>\$ 7,949.97</b>

No disbursements of the monetary settlement covered by this Agreement are to be made prior to 45 calendar days following the effective date of this Agreement. Anadarko will disburse the monetary settlement within sixty (60) days of the effective date of this Agreement, provided the employee has executed a Release.

2. **VIOLATION:** OFCCP found that Anadarko failed to list on an ongoing basis, all appropriate openings, (i.e., all openings except executive and top management positions, positions that will be filled from within the organization, and positions lasting three days or less) with an appropriate employment service delivery system where the openings occurred, as required by 41 CFR 250.5(a)2-6 or 41 CFR 60-300.5(a) 2-6.

**REMEDY:** On July 1, 2010, Anadarko began to remedy this violation by listing all appropriate employment openings with a local employment service office of the state employment security agency or appropriate employment service delivery system where openings occur, as applicable, and in accordance with 41 CFR 60-250(a)2-6 and 41 CFR 60-300.5(a)2-6.

Further, Anadarko will contact the local veterans' employment representative serving the location where openings occur. The following information is provided to assist you with local listings:

Texas Workforce Center  
8231 Broadway St.  
Houston, TX 77061

Veterans Services Representative: (b) (6), (b) (7)(C)

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

### **PART III: REPORTING:**

Within 90 calendar days of the effective date of this Agreement, Anadarko will submit the following to OFCCP:

District Director  
U.S. DOL/OFCCP  
2320 LaBranch Street, Suite 1103  
Houston, Texas 77004

Documentation of the payment of back pay and interest as specified in the Remedy. The documentation shall include copies of the cancelled checks.

In addition to the above, Anadarko will submit two semi-annual progress reports. The first semi-annual progress report shall be due seven months from the effective date of this Agreement and shall cover the six-month period beginning with the effective date. The subsequent report shall cover the successive six-month period, and shall be submitted 30 calendar days after the close of that six-month period.

Pursuant to Violation 2, Anadarko will submit the following in each semi-annual progress report:

A list of actions and supporting documents that show the results of Anadarko's efforts to comply with the mandatory job listing requirements for covered veterans. This information will include, but shall not be limited to, identifying recruitment sources, contact person(s), dates of contacts, telephone numbers and the results of the recruitment efforts including the number of individuals referred, positions referred to, and number of those referrals hired.

Anadarko will retain records pertinent to the violation resolved by this Conciliation Agreement and to the reports submitted under it, including the underlying information on which the reports are based, until the expiration of the Conciliation Agreement or consistent with regulatory requirements, whichever is later.

Anadarko agrees not to repeat the above violations.

This Conciliation Agreement will expire 60 calendar days after receipt of the final report or on the date the District Director gives notice to Anadarko that it has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies Anadarko in writing prior to the expiration of the 60-day period that Anadarko has not satisfied its reporting requirements pursuant to this Agreement.

**PART IV: SIGNATURES:**

This Conciliation Agreement is hereby executed by and between the OFCCP and Anadarko.

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

W. THOMAS SHORT  
President and CEO  
Anadarko Industries L.L.C.

Date: 9/30/2010

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

Compliance Officer  
Houston District Office

Date: 9/30/10

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

TRENT WILLIAMS  
Assistant District Director  
Houston District Office

Date: 9/30/10

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

PATRICIA H. BYRD  
District Director  
Houston District Office

Date: 9/30/10

Attachment 1: Notice to Class Members  
Attachment 2: Release of Claims Under EO 11246

**ATTACHMENT 1**  
**NOTICE TO CLASS MEMBERS**

Dear:

Anadarko Industries L.L.C. ("Anadarko") and the Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP") have entered into a Conciliation Agreement ("Agreement") to resolve alleged pay disparities for female Buyers at its Houston, Texas facility during the period December 29, 2008 to the present, and to resolve the matter without further legal proceedings.

Anadarko has denied any wrongdoing. You have been identified as a Buyer during that time period.

As part of this Agreement, you are eligible to receive a monetary payment of \$ \_\_\_\_\_, less lawful payroll deductions. The amount of \$ \_\_\_\_\_, set forth above, is the gross amount of your portion of the monetary settlement between OFCCP and Anadarko, the actual payment to you will be reduced, in part, to account for legally required payroll deductions such as income tax withholding and Social Security contributions. 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 you may owe income taxes on the amount reported on the Form 1099.

In order to be eligible for this payment, you must fill out and sign the Release of Claims Under Executive Order 11246, and return it within thirty (30) calendar days of the date you received this letter to:

Mr. Mike Harrison  
Human Resource Manager  
Anadarko Industries L.L.C.  
17625 El Camino, Suite 410  
Houston, TX 77058

By entering into this Agreement, Anadarko has not admitted, nor has there been any adjudicated finding, that Anadarko violated any laws. Anadarko has entered into this Agreement to resolve the matter without further legal proceedings.

If you have any questions you may call Mr. Mike Harrison at Anadarko at (713) 844-6426, or OFCCP Compliance Officer (b) (6), (b) (7)(C) at (713) 718-3800. Your call will be returned as soon as possible.

If you fail to complete and return the enclosed Release of Claims to Anadarko within thirty (30) calendar days after receipt of this letter, you will forfeit any right to a monetary payment pursuant to this settlement. Under the terms of this Agreement, it may take up to two months from the date of this letter before you receive the monetary payment.

Sincerely,  
(NAME)

Enclosure: Release of Claims

**ATTACHMENT 2**  
**RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246**

In consideration of the payment of \$ \_\_\_\_\_, (less deductions required by law) by Andarko Industries L.L.C. ("Anadarko") to me, which I agree is acceptable, I \_\_\_\_\_ agree to the following:

I.

In exchange for the monetary amount set forth above, I hereby waive, release and forever discharge Anadarko, 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 a disparity in pay at any time through the effective date of this Release.

II.

I understand that Anadarko denies that it treated me unlawfully or unfairly in any way and that Anadarko 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 the alleged pay disparity and to resolve the matter without further legal proceedings in the compliance evaluation initiated by OFCCP on October 8, 2009. I further agree that the payment of the aforesaid sum by Anadarko to me is not to be construed as an admission of any liability by Anadarko.

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. 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 Anadarko by \_\_\_\_\_ **(DATE)** \_\_\_\_\_, I will not be entitled to receive the payment (less deductions required by law) from Anadarko.

IN WITNESS WHEREOF, I have signed this document on this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Signature

**PLAIN LANGUAGE GUIDE TO RELEASE OF CLAIMS UNDER  
EXECUTIVE ORDER 11246**

The Release that you are being asked to sign is a legal document. Essentially the document states that in return for Anadarko paying you money, you agree that you will not file any lawsuit against it for violating Executive Order 11246. It also says that Anadarko denies it did anything illegal or unfair. It 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.