

CONCILIATION AGREEMENT

Between

THE U. S. DEPARTMENT OF LABOR

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

and

SCHWAN'S GLOBAL SUPPLY CHAIN, INC.

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated Schwan's Global Supply Chain, Inc.'s ("SGSCI" or "Schwan's") facility located at 612 Georgia Avenue, Deer Park, TX 77536 (the "Plant") and found that SGSCI was not in compliance with the Executive Order 11246, as amended ("E.O. 11246") and implementing regulations at 41 C.F.R. Sections 60-1, 60-2 and 60-3. OFCCP notified SGSCI of the specific violations found and the corrective actions required in a Notice of Violations issued on March 13, 2015. 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 SGSCI enter this Conciliation Agreement ("Agreement") and agree to all the terms stated below.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for SGSCI's fulfillment of all obligations in Parts III and IV of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246 based on the 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 SGSCI violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. SGSCI 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. SGSCI will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.
3. SGSCI understands that nothing in this Agreement relieves SGSCI 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"), and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 ("VEVRAA") and their implementing regulations, and other applicable equal employment laws.
4. SGSCI 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 Southwest and Rocky Mountain 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) calendar days after SGSCI submits the final progress report required in Part IV (D), below, unless OFCCP notifies SGSCI in writing prior to the expiration date that SGSCI has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date that OFCCP determines SGSCI has met all of its obligations under the Agreement.
10. If SGSCI violates this Conciliation Agreement,
 - A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1) If OFCCP believes that SGSCI violated any term of the Agreement while it was in effect, OFCCP will send SGSCI a written notice stating the alleged violations and summarizing any supporting evidence. Such notice shall be provided to counsel for SGSCI, Dale E. Bock, Schwan's Shared Services, LLC, 115 West College Drive, Marshall, MN 56258, or other company designee.
 - 2) SGSCI will have 15 calendar 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 SGSCI 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. SGSCI 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 SGSCI of any violation of E.O. 11246, or other laws, nor has there been an adjudicated finding that SGSCI violated any laws.

PART III. SPECIFIC VIOLATIONS AND REMEDIES

1. **VIOLATION:** OFCCP found that SGSCI is not in compliance with the requirements of 41 C.F.R. § 60-1.4(a)(1). OFCCP's analysis of SGSCI's hiring process and selection procedures revealed that male, African American, and white applicants who applied for certain production positions were disadvantaged in the hiring process during the period October 1, 2008 through September 30, 2010 ("review period").

OFCCP analyzed electronic applicant tracking and hire logs, applicant profiles, position descriptions, and requisition forms provided by SGSCI; and determined the applicant pools by excluding internal candidates, individuals who applied outside the review period, individuals who expressed interest in jobs at the Pasadena location, individuals for whom race and/or gender was unknown, duplicate applicants defined as those with the same name and date of application who applied for the same job title, and individuals who applied for job titles other than those indicated herein. OFCCP determined male, African American, and white applicants were discriminated against when applying for certain production job titles as follows:

- A. **Food Assembler:** OFCCP found that male applicants were impacted at (b) (7)(E) standard deviations with a shortfall of 19; African American applicants at (b) (7)(E) standard deviations with a shortfall of 18, and white applicants at (b) (7)(E) standard deviations with a shortfall of 4. OFCCP adjusted the total shortfall to account for the overlap of males who are also African American or white; the adjusted shortfall is 19. OFCCP identified 178 class members for the Food Assembler position.
- B. **Packager Manual:** OFCCP found that male applicants were impacted at (b) (7)(E) standard deviations with a shortfall of 43, African American applicants at (b) (7)(E) standard deviations with a shortfall of 41 and white applicants at (b) (7)(E) standard deviations with a shortfall of 10. OFCCP adjusted the total shortfall to account for the overlap of males who are also African American or white; the adjusted shortfall is 51. OFCCP identified 310 class members for the Packager Manual position.
- C. **Sanitation Associate:** OFCCP found that African American applicants were impacted at (b) (7)(E) standard deviations with a shortfall of 9 and white applicants at (b) (7)(E) standard deviations with a shortfall of 3. OFCCP identified 47 class members for the Sanitation Associate position.

Additionally, during the one-year period October 1, 2008 through September 30, 2009, OFCCP determined African Americans and whites were disadvantaged when applying for Forklift Operator, Machine Operator, and Produce Supplier positions.

- D. **Forklift Operator:** OFCCP found that African American applicants were impacted at (b) (7)(E) standard deviations with a shortfall of 4 and resulted in adverse impact against white applicants at (b) (7)(E) standard deviations with a shortfall of 2. OFCCP identified 189 class members for the Forklift Operator position.
- E. **Machine Operator:** OFCCP found that African American applicants were impacted at (b) (7)(E) standard deviations with a shortfall of 3 and white applicants at (b) (7)(E) standard deviations with a shortfall of 2. OFCCP identified 95 class members for the Machine Operator position.

F. Produce Supplier: OFCCP found that African American applicants were impacted at (b) (7)(E) standard deviations with a shortfall of 3. OFCCP identified 7 class members for the Produce Supplier position.

Accordingly, OFCCP determined that male, African American, and white applicants who applied for Food Assembler, Packager Manual, and Sanitation Associate positions from October 1, 2008 through September 30, 2010 were disadvantaged. OFCCP also found that African American and white applicants who applied for Forklift Operator, Machine Operator, and Produce Supplier positions during the one-year period October 1, 2008 through September 30, 2009 were disadvantaged. The aforementioned job titles are collectively referred to as production jobs.

REMEDY: SGSCI agrees to immediately cease any hiring practices and/or policies that unlawfully, adversely impacted male, African American, and white applicants and to take the following corrective actions:

a) Revision of the Hiring Process, Implementation and Training: Within 60 calendar days of the Effective Date of this Agreement, SGSCI will provide a written copy of its revised practices, policies and procedures that the company will use to recruit, track and hire applicants for production positions (hereinafter the "Revised Hiring Process"). The Revised Hiring Process will contain the following:

- Procedures to recruit applicants for Production positions including mandatory listings, outreach efforts, and the use of the Internet as a recruitment procedure, if SGSCI currently uses or intends to prospectively use the Internet to recruit applicants for Production positions.
- The qualifications and criteria to be used to place applicants into the Production applicant pool(s).
- The qualifications and criteria to be used to eliminate and/or select applicants at each step of the hiring process, including the qualifications and criteria to be used in any application screen, interview, test, post-hiring screen or other selection procedure.
- Procedures to ensure applicants are tracked and decisions are documented at each step in the hiring process.
- Procedures to ensure that documents are retained in accordance with 41 C.F.R. 60-1.12 (a) and Part 60-3.

Thereafter, within 90 calendar days of the Effective Date of this Agreement, SGSCI will fully implement and train all individuals involved in any way in recruiting, selecting or tracking applicants for Production positions on the Revised Hiring Process. SGSCI will also train any individuals hired or transferred into such positions within 60 calendar days of the new assignment. The training will include instruction on the proper implementation of the recruitment, tracking and selection procedures, the non-discriminatory application of the specific qualifications and criteria that will be used at each step in the hiring process, the procedures to be used to document the decisions made at each step in the hiring process, and the procedures to be used to ensure that documents are retained in accordance with 41 C.F.R. 60-1.12 (a) and Part 60-3.

- b) Notification. Within 60 calendar days of the Effective Date of this Agreement, SGSCI shall notify the male, African American, and white class members listed in Attachments 1-1G of the terms of this Agreement by mailing by first class mail to each Class Member the Notice to Class Members (Attachment 2, "Notice"), the Information Verification & Employment Interest Form (Attachment 3, "Interest Form"), the Release of Claims Under Executive Order 11246 (Attachment 4-"Release Form"), and a postage paid return envelope. SGSCI will notify OFCCP weekly of all letters returned as undeliverable. In addition, within 90 calendar days of the effective date, SGSCI will provide a list to OFCCP of those Class Members who have not yet responded to the Notice and/or have not returned a fully executed Interest Form and Release. OFCCP will then initiate efforts to locate those Class Members and provide the updated contact information to SGSCI. OFCCP will provide updated address information to SGSCI within ten calendar days of receiving the list.

SGSCI agrees to mail by first class mail a second Notice, Interest Form, Release, and postage paid return envelope to Class Members OFCCP locates within five days of receipt of the new contact information.

- c) Eligibility. All Class Members, listed separately on Attachments 1-1G, who timely and fully complete, sign and return the Release and Interest Form to either SGSCI or OFCCP within 165 calendar days of the Effective Date of the Agreement ("Eligible Class Members") will equally share the monetary settlement and, if indicating an interest in employment, will be eligible to be considered for an entry level production position at the Plant pursuant to this Agreement. If a Class Member has not returned a fully executed Release and Interest Form to SGSCI or OFCCP within 165 calendar days of the Effective Date of the Agreement, the Class Member will no longer be entitled to any relief pursuant to this Agreement.

Within 170 calendar days of the Effective Date of this Agreement, SGSCI will provide OFCCP with the lists of all Eligible Class Members who returned the Interest Form and Release within 165 calendar days of the Effective Date of the Agreement, along with a copy of each executed Release and Interest Form it received. OFCCP will provide SGSCI with all original executed Release and Interest Forms it received. Within 180 calendar days from the Effective Date, OFCCP will review and approve the final list of Eligible Class Members or discuss with SGSCI any issues necessary to finalize the list, such as the inclusion or exclusion of certain Class Members. The monetary payment discussed in paragraph (e) below will be divided equally among all Eligible Class Members on the final approved list.

All Eligible Class Members are entitled to an equal share of the monetary settlement regardless of whether they are interested in employment with SGSCI.

- d) Employment. As entry level production positions become available at the Plant, SGSCI will consider qualified Eligible Class Members not currently employed by the company who express an interest in employment in an effort to remedy the total of 96 shortfalls as follows: Food Assemblers - 19 (9 males, 7 African Americans and 3 whites); Package Manual- 51 (25 males, 20 African Americans, and 6 whites); Sanitation Associates – 12 (9 African Americans and 3 whites); Forklift Operators – 6 (4 African Americans and 2 whites); Machine Operators-5 (3 African Americans and 2 whites); Produce Suppliers (3 African Americans).

Eligible Class Members will be considered in the order that SGSCI receives their Interest Forms or until the list of Eligible Class Members expressing an interest in employment is exhausted, whichever occurs first. If SGSCI receives more than one response on any given day, those Eligible Class

Members will be considered for employment based on the date of their original application. Further, in applying the hire obligations set forth herein, if an interested Eligible Class Member is, for example, a white male, then that hire shall count as a white hire and a male hire for Food Assembler and Packager Manual jobs only.

SGSCI shall initiate its hiring of Eligible Class Members beginning 65 days after the Effective Date of this Agreement or as soon as it begins receiving completed Releases and Interest Forms, whichever is later, and will endeavor to complete its hiring obligations under this section within 24 months of the Effective Date of this Agreement or until the list of Eligible Class Members expressing an interest is exhausted.

Eligible Class Members shall be responsible for notifying SGSCI of any changes in their addresses or other contact information, and must successfully complete SGSCI's hiring process as it existed during October 1, 2008 through September 30, 2010 when the Eligible Class Members submitted their original applications. SGSCI shall not impose more stringent or different hiring criteria subsequently adopted to the Eligible Class Members. Eligible Class Members will be allowed at least one week to accept an offer of hire and an additional one week to report for work after being sent a written job offer by SGSCI. Eligible Class Members hired into Production positions pursuant to this Agreement must be paid the current wage rate for Production positions at the Plant and must be provided with the same benefits and opportunity to earn overtime and shift differentials as other similarly situated Production employees.

- e) Monetary Settlement. Within 45 calendar days of the Effective Date of this Agreement, SGSCI will designate \$310,000 in an account which will be equally distributed among the Eligible Class Members.

SGSCI agrees to distribute \$310,000 (\$260,400 in back pay and \$49,600 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), in equal shares among all eligible class members on the final approved lists. SGSCI will pay the Internal Revenue Service ("IRS") the employer's share of social security withholdings and will mail each Eligible 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. These IRS forms will be mailed either with the settlement check or by the deadline imposed by applicable law. SGSCI will disburse the monetary settlement within 15 calendar days after OFCCP approves the final lists of Eligible Class Members and provides SGSCI with a copy of same.

Within ten calendar days of SGSCI's receipt of a check to an Eligible Class Member returned as undeliverable, SGSCI will notify OFCCP of this fact via e-mail sent to Compliance Officer (b) (7)(C) at (b) (7)(C) @dol.gov. OFCCP will attempt to locate the Eligible Class Member and if OFCCP obtains an alternate address, SGSCI will re-mail the check within ten calendar days of receiving an alternate or corrected address. Any check that remains uncashed 90 calendar days after the initial date the check was mailed to the Eligible Class Member will be void. With respect to any uncashed funds, SGSCI will make a second distribution to all Eligible Class Members who cashed their first checks if the amount of uncashed funds will result in a payment of \$30.00 or more to each of the located Eligible Class Members. If the total amount of uncashed funds would result in a payment of less than \$30.00 to each located Eligible Class Member, SGSCI will use those uncashed funds to provide training in equal employment opportunity to its personnel in addition to the training it is obligated to provide in the Revised Hiring Process described in Part III – Paragraph (a) of Remedy for Violation 1.

2. **VIOLATION:** OFCCP found that SGSCI failed to preserve personnel and employment records in accordance with the requirements of 41 C.F.R. 60-1.12(a). Specifically, during the period October 1, 2008 through September 30, 2010, SGSCI shredded employment applications for walk-in applicants after human resource personnel entered information from the hard copy applications into the company's electronic applicant tracking system.

Further, when analyzing data for applicants who applied for Food Assembler, Forklift Operator,¹ Machine Operator, Packager Manual, Produce Supplier, and Sanitation Associate positions; OFCCP found that SGSCI did not provide applicant profiles for approximately 15% of applicants.

REMEDY: SGSCI will ensure that records are collected and maintained in accordance with the requirements of 41 C.F.R. 60-1.12(a) and Part 60-3. SGSCI will retain all records made during the course of the employment process to include employment applications, applicant profiles, documentation of interview feedback forms and drug screens, and descriptive disposition codes.

3. **VIOLATION:** OFCCP found that SGSCI failed to conduct an adverse impact analysis by racial and ethnic group in accordance with the requirements of 41 C.F.R. 60-2.17(b), 41 C.F.R. 60-3.15A (2) and 41 C.F.R. 60-3.4. OFCCP determined that SGSCI conducted an adverse impact analysis comparing non-minorities to minorities and males to females, however the company did not conduct adverse impact analyses on each racial and ethnic group that constituted at least two percent of the labor force in the relevant labor area or two percent of the applicable workforce.

REMEDY: SGSCI will conduct adverse impact analyses on at least an annual basis for the purposes of determining whether adverse impact exists against applicants based on race, ethnic group, or gender in hiring, promotion, termination, and other personnel activities. The adverse impact analyses will be conducted by job for each group constituting at least two percent of the labor force in the relevant labor area or two percent of the applicable workforce. If adverse impact is identified in the total selection process, SGSCI will evaluate each individual component of the selection process for adverse impact. If adverse impact is found to exist in any of the individual components of the selection process, SGSCI will validate each such component in accordance with the Uniform Guidelines on Employee Selection Procedures or utilize selection procedures that do not result in adverse impact.

PART IV. REPORTS REQUIRED

SGSCI must submit the documents and reports described below to: Karen N. Hyman, District Director, OFCCP-Houston District Office, 2320 La Branch Street, Suite 1103, Houston, TX 77004.

- A. Within forty-five (45) calendar days of the Effective Date of this Agreement, SGSCI will provide OFCCP with the name and contact information for the person who can provide information on the designated monetary settlement funds.
- B. Within sixty (60) calendar days of the Effective Date of this Agreement, SGSCI will submit a copy of the written Revised Hiring Process described in Part III – Paragraph (a) of Remedy for Violation 1.

¹ Applicant profiles for Forklift Operator positions were not accessible when requested by OFCCP due to SGSCI's transition from the Virtual Edge to Taleo applicant tracking system.

- C. Pursuant to Paragraph (a) of Remedy 1, with the first progress report below, which is approximately seven months from the Effective Date of this Agreement, SGSCI will provide OFCCP with documentation that all managers, supervisors and other personnel involved in recruiting, selecting, or tracking applicants for Production positions at the Plant have been trained on the Revised Hiring Process. The documentation shall include the dates of the training, the names and job titles of all attendees, an outline of the topics discussed in the training, and the name and job title of each person who conducted the training.
- D. Within the prescribed timeframes, SGSCI shall submit all documents and information referenced in paragraphs (b) and (d) of Remedy 1. Such documents and information include, but are not necessarily limited to, letters returned as undeliverable, a list of Eligible Class Members who have not responded to or returned a fully executed Interest Form and Release within 90 calendar days of the Effective Date of the Agreement, a list of Eligible Class Members who have returned a signed Interest Form and Release within 165 calendar days of the Effective Date.

SGSCI must submit four progress reports covering each six-month period this Agreement is in effect. The first progress report will be due seven months after the Effective Date of this Agreement and must cover the six-month period beginning with the Effective Date. Each subsequent report must cover the successive six-month period, and must be submitted within 30 calendar days after the close of that six-month period.

Pursuant to Violation 1, SGSCI will submit the following in each semi-annual progress report:

- 1) Documentation of monetary payments to all Eligible Class Members as specified in Part III Remedy for Violation #1, paragraphs (d) and (e). The documentation shall include the names of Eligible Class Members who were paid, and for each Eligible Class Member, the check number and the amount of the check. SGSCI shall provide OFCCP with copies of all canceled checks upon request;
- 2) Documentation of specific activity for Eligible Class Members who were offered and/or hired into Production positions in accordance with this Agreement, including name, date of offer/hire, job title of position offered/hired into, whether the offer was accepted and, if so, the start date, and rate of pay and benefits;
- 3) For interested Eligible Class Members who were considered for employment but were not hired, SGSCI will provide the reason for non-hire and, upon OFCCP request, all relevant documentation (*e.g.*, documentation that the interested Eligible Class Member declined a job offer);

SGSCI will continue submitting the information in subsections 1-3 above in the four semi-annual progress reports until OFCCP determines that the back pay has been fully paid and the offer/hire obligations have been met or expire, or (b) the list of Eligible Class Members has been exhausted, whichever occurs first. If complete documentation is provided in one or more progress reports, it need not be resubmitted in a subsequent progress report.

Pursuant to Violations 2 and 3, SGSCI will submit the following in each semi-annual progress report:

- 1) The total number of applicants and hires and the breakdown by race, gender and ethnic group (to the extent known) of applicants and hires for Production positions at the Plant during the reporting period, including all part time and seasonal workers.
- 2) For Production positions at the Plant, the results of SGSCI's analysis as to whether its total selection process has adverse impact, as defined in 41 C.F.R. § 60-3.4D, on those members of groups set forth in 41 C.F.R. § 60-3.4B (for purposes of the adverse impact analysis, SGSCI must not include hires made of Eligible Class Members pursuant to this Agreement in that analysis). With respect to the adverse impact analysis, for all progress reports except the first, SGSCI shall combine the data for the current report with the data from the previous report(s) to analyze at least a 12-month period. OFCCP may analyze a period longer than 12 months to determine if adverse impact exists.
- 3) For each case where the total selection process has an adverse impact, as defined in 41 C.F.R. § 60-3.4D, the results of SGSCI's evaluation of the individual components of the selection process for adverse impact;
- 4) The actions taken by SGSCI upon determining that any component of the selection process has an adverse impact on members of groups set forth in subparagraphs 1 and/or 2 above.

SGSCI will retain all records and data pertinent to the violations 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 date of the Conciliation Agreement or consistent with regulatory requirements, whichever is later.

All dates and deadlines in this Agreement may be modified or extended by written agreement. Further, if a deadline in this Agreement falls on a weekend or federal holiday, the deadline shall be deemed automatically extended to the next applicable business day.

Part V. SIGNATURES

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

(b) (7)(C)
Dale E. Bock, V.P. & Assistant General Counsel
For, Schwan's Global Supply Chain, Inc.

(b) (7)(C)
Compliance Officer
Houston District Office, OFCCP
Southwest and Rocky Mountain Region

Date: 12-1-15

Date: December 2, 2015

(b) (7)(C)
Dinorah S. Boykin
Assistant District Director
Houston District Office, OFCCP
Southwest and Rocky Mountain Region

Date: December 2, 2015

(b) (7)(C)
Katen N. Hyman
District Director
Houston District Office, OFCCP
Southwest and Rocky Mountain Region

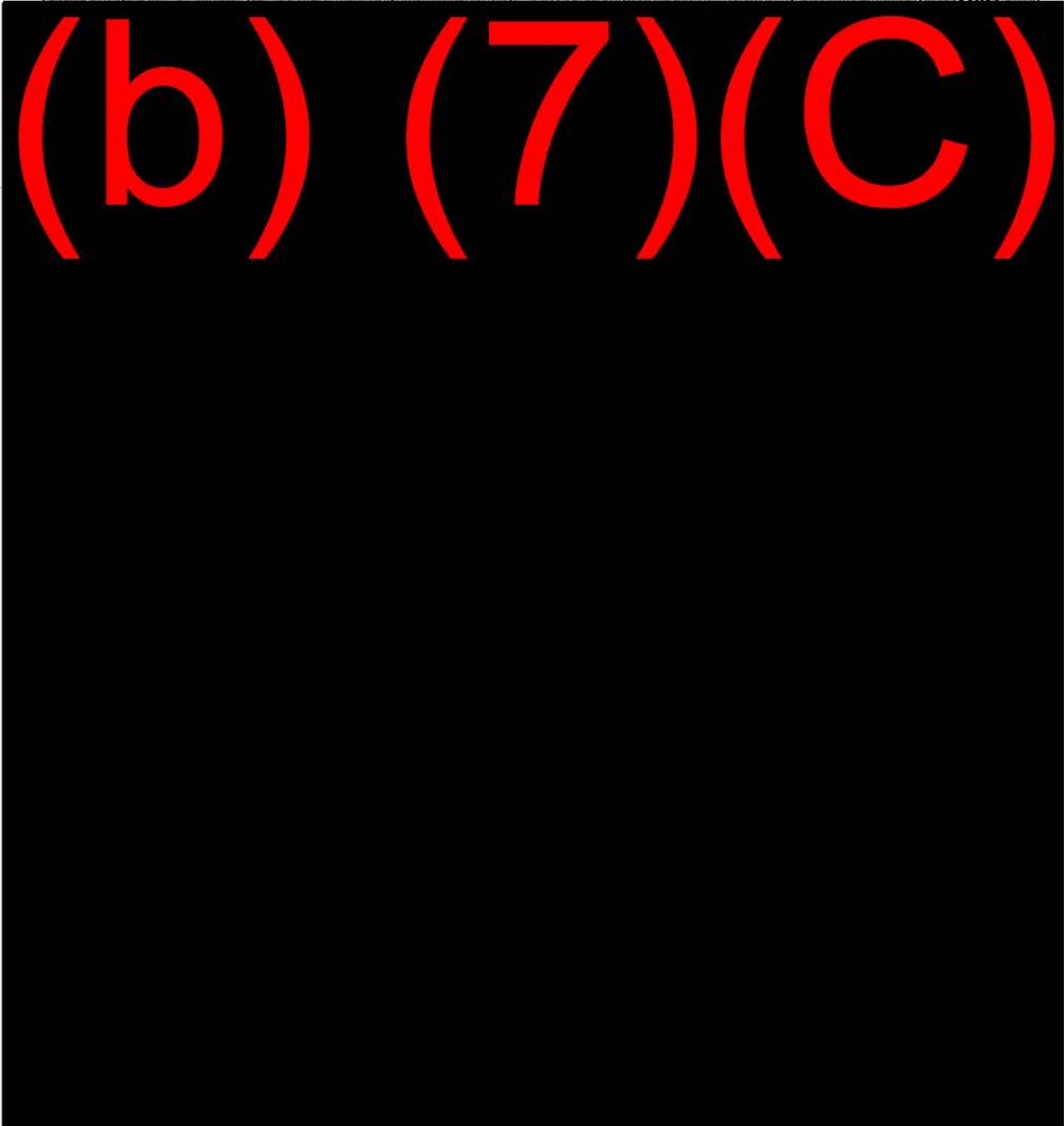
Date: December 2, 2015

(b) (7)(C)
Melissa L. Speer
Regional Director, OFCCP
Southwest and Rocky Mountain Region

Date: 12-02-2015

**ATTACHMENT 1
Affected Class
Food Assembler - Males**

Count	First Name	Last Name	Race	Gender	Job Title Applied	Application Date	Asterisk ***** Designates Applicants That Applied More Than Once
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ATTACHMENT 2

NOTICE TO AFFECTED CLASS

Dear [NAME]:

Schwan's Global Supply Chain Inc. ("SGSCI") and the Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP") have entered into a Conciliation Agreement ("Agreement") to remedy the alleged violations of Executive Order 11246 ("E.O. 11246") that OFCCP found during a compliance review of SGSCI's facility located at 612 Georgia, Deer Park, TX 77536. OFCCP's analysis of SGSCI's hiring process and selection procedures revealed that during the period October 1, 2008 through September 30, 2010 male, African American, and white applicants were disadvantaged when applying for certain production jobs. OFCCP found that there was a disparity in the hiring for certain production jobs based on gender and race. SGSCI specifically denies any violation of E.O. 11246, and there has not been any adjudicated finding that SGSCI violated any laws. OFCCP and SGSCI entered into the Agreement to resolve the matter without resorting to further legal proceedings. You have been identified as an individual who applied for a production job during the relevant time period, but was not hired.

As part of this Agreement, you may be eligible to receive a distribution of at least \$375.30 less lawful payroll deductions. Under the terms of this Agreement, it may take up to twelve months from the date of this letter before you receive your distribution. In order to be eligible for a payment, you must complete, sign, and return the enclosed Release of Claim and Information Verification and Employment Interest Form. You should complete and mail back the forms as soon as possible; the envelope *must* be postmarked to the address below no later than 60 days after the date this Notice was mailed out (postmarked) for you to be entitled to participate in this settlement:

Dale E. Bock, V.P. & Assistant General Counsel
Schwan's Global Supply Chain, Inc.
115 West College Drive
Marshall, MN 56258

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

In addition to the monetary distribution, SGSCI will be making job offers for Production positions to a limited number of qualified individuals receiving this notification as such positions become open. It is not certain that you will receive a job offer. If you are still interested in employment with SGSCI, please check the appropriate box on the enclosed Information Verification and Employment Interest Form. Those receiving this notice will be considered for Production positions as they become open in the order that SGSCI receives the Information Verification and Employment Interest Form expressing an interest in employment. If you have any questions, you may call OFCCP Compliance Officer (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 DOCUMENTS TO SGSCI BY XXX DATE YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR TO BE CONSIDERED FOR A JOB OFFER.

Sincerely,
(NAME)

Enclosures:

Information Verification and Employment Interest Form
Release of Claims Under Executive Order

ATTACHMENT 3

INFORMATION VERIFICATION & EMPLOYMENT INTEREST FORM

You must complete and return this form in order to be eligible for the monetary payment and/or employment opportunities under the terms of the Conciliation Agreement ("Agreement") between Schwan's Global Supply Chain Inc. ("SGSCI") and the U.S. Department of Labor's Office of Federal Contract Compliance Programs. Please print legibly, except for the signature.

Name: _____

Address: _____

Telephone Nos.: Home _____ Cell _____ Work _____

Email Address: _____

Notify SGSCI at the address below if your address or phone number changes within the next twelve months.

Dale E. Bock, V.P. & Assistant General Counsel
Schwan's Global Supply Chain, Inc.
115 West College Drive
Marshall, MN 56258

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

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

- Caucasian African American/Black Hispanic Asian Native American
 Male Female

Please indicate below whether you are currently interested in employment in a Production position with SGSCI at Deer Park; and if you are currently employed by or have previously worked for SGSCI. If you complete, sign, and return this Information Verification and Employment Interest Form within the prescribed timeframe, pending verification of race and gender, you remain eligible for the monetary payment whether or not you are interested in employment at this time.

Yes, I am still interested in employment with SGSCI for a Production position at the Deer Park Plant.

No, I am not currently interested in employment with SGSCI for a Production position at the Deer Park Plant.

Yes, I am currently employed by or previously worked for SGSCI (at any facility). Provide job title and dates of employment.

Job Title: _____ Start Date: _____ End Date: _____

I have never worked for SGSCI (at any facility).

ATTACHMENT 3 - Continued

INFORMATION VERIFICATION & EMPLOYMENT INTEREST FORM

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS BELOW WITHIN BY XXX DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR TO BE CONSIDERED FOR A JOB OFFER.

(NAME) _____

(ADDRESS) _____

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

Signature

Date

ATTACHMENT 4

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

This Release of Claims under Executive Order 11246 ("Release") is a legal document. This document states that in return for Schwan's Global Supply Chain Inc. ("SGSCI") paying you money, you agree that you will not file any lawsuit against SGSCI for allegedly violating Executive Order 11246 in connection with its selection procedures for applicants for Production positions. It also says that SGSCI 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 payment of at least \$ _____ (less deductions required by law) by SGSCI to me, which I agree is acceptable, I _____ agree to the following:
(print name)

I.

I hereby waive, release and forever discharge SGSCI, 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 non-selection for employment in a Production position on the basis of my race or gender at any time through the effective date of this Release.

II.

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

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 SGSCI ON OR BEFORE _____ (DATE), I will not be entitled to receive any payment (less deductions required by law) from SGSCI.

IN WITNESS WHEREOF, I have signed this document on this _____ day of

_____, 20__.

Signature