

Conciliation Agreement
Between the U.S. Department of Labor
Office of Federal Contract Compliance Programs
and
Western Filter, A Division of Donaldson Company, Inc.
26235 Technology Drive
Santa Clarita, CA 91355

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter "OFCCP") and Western Filter, A Division of Donaldson Company, Inc. (hereinafter "Western Filter") located at 26235 Technology Drive, Santa Clarita, California.
2. The violation identified in this Agreement was found during a compliance evaluation of Western Filter which began on August 12, 2009 and it was specified in a Notice of Violation issued February 9, 2010. OFCCP alleges that Western Filter has violated Executive Order 11246, as amended, and implementing regulations at 41 CFR Chapter 60 due to the specific violation cited in Part II below.
3. This Agreement does not constitute an admission by Western Filter of any violation of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and implementing regulations.
4. The provisions of this Agreement will become part of Western Filter's AAP. Subject to the performance by Western Filter of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Western Filter with all OFCCP programs will be deemed resolved. However, Western Filter 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. Western Filter 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 Western Filter's compliance. Western Filter shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Western Filter from the obligation to comply with the requirements of Executive Order 11246, as amended, and/or Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Western Filter 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 proceedings under Executive Order 11246, as amended, and/or Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).

8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Regional Director for OFCCP, unless the Director for OFCCP indicate otherwise within 45 days of the Regional Director's signature on this Agreement.
9. If at any time in the future, OFCCP believes that Western Filter has violated any portion of this Agreement during the term of this Agreement, Western Filter 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 Western Filter with 15 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 Western Filter has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

10. Liability for violation of this Agreement may subject Western Filter to sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief.

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PART II: Specific Provisions

Violation: OFCCP alleges that Western Filter failed to ensure that its employees were compensated without regard to their race, as required by 41 CFR 60-1.4(a). Specifically, OFCCP alleges that the review of compensation practices for the (b) (7)(C) (b) (7)(C) and (b) (7)(C) positions as of January 1, 2009 revealed that minorities (listed in Attachment A) in these positions were compensated at a lesser rate than their non-minority counterparts.

Specifically, the OFCCP's analysis of compensation practices which takes into account all factors Western Filter identified as influencing pay revealed that minorities, on average, earned less in annual salary than their non-minority counterparts. The available records, job descriptions, pay information provided by Western Filter and the results of interviews with managers and employees conducted during the investigation support the finding that minorities (listed in Attachment A) in the (b) (7)(C) (b) (7)(C) and (b) (7)(C) positions received a lower wage rate than their non-minority counterparts.

Remedy: Western Filter agrees to revise its compensation practices and take steps to ensure that its compensation system provides an equal opportunity to all of its employees, irrespective of race. This applies to all aspects of compensation, including, but not limited to, initial salary at time of hire and progression into higher paying categories. In order to resolve this violation, Western Filter agrees to the following:

- a. Provide back pay in the amount of \$27,728.48 and interest in the amount of \$568.21 to the minorities listed in Attachment A. Additionally, effective March 1, 2010, Western Filter agrees to increase the pay for the minorities listed in Attachment A in the amount of \$27,104.48.
- b. Conduct an audit and analysis of its compensation practices as they impact all employees.
- c. Develop and implement compensation policies and procedures that will not differentiate compensation on the basis of race of employees.
- d. Provide training to those managers who participate in the application of any component of the compensation system at Western Filter's cost of approximately \$1,500. The purpose is to familiarize those managers with principles underlying the uniform application of criteria, which are used to establish compensation.

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PART III: Reporting

In order for the OFCCP to monitor compliance with this Conciliation Agreement, Western Filter agrees to furnish the U.S. Department of Labor, Office of Federal Contract Compliance Programs, Los Angeles District Office, 11000 Wilshire Boulevard, Suite 8103, Los Angeles, California 90024, with the following report for the location at 26235 Technology Drive, Santa Clarita, California 90245:

Report Due Date

Period Covered

Report 1: April 30, 2010

Effective date of Agreement through March 31, 2010

The progress report shall contain the following:

1. Evidence of back pay and pay increases given to the minorities listed in Attachment A to include copies of the back pay and pay increases;
2. Evidence of training provided to the managers who participate in the application of any component of the compensation process including the actual costs incurred for training.

Termination Date:

This Agreement shall remain in effect until June 15, 2010 or until OFCCP's written acceptance of the final Progress Report, whichever date is later.

PART IV: Signatures

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Western Filter, A Division of Donaldson Company, Inc., 26235 Technology Drive, El Segundo, California 91355.

2/23/2010
Date

(b) (7) (c)


TODD SMITH
General Manager
Western Filter, A Division of
Donaldson Company, Inc.
26235 Technology Drive
Santa Clarita, CA 91355

2/23/10
Date


(b) (7) (e)


Compliance Officer
Office of Federal Contract
Compliance Programs
Los Angeles District Office

2/23/2010
Date

(b) (7) (c)


JANE SMYHR
District Director
Office of Federal Contract
Compliance Programs
Los Angeles District Office

3/18/10
(b) (7) (c)


WILLIAM D. SMITHERMAN
Regional Director
Office of Federal Contract
Compliance Programs
Pacific Region
San Francisco, CA

Attachment A

Employee	Job Title	Previous Annual Pay Rate	Revised Annual Pay Rate (effective 3/1/10)	Salary Adjustment	Back-pay 1/1/09 – 12/31/09)	Interest
(b) (7)(C)				\$4,825.60	\$4,825.60	\$98.90
				\$624.00	\$624.00	\$12.77
				n/a	\$624.00	\$12.77
				\$17,492.80 + \$ 1,749.28 (normal shift differential per policy)	\$17,492.80 + \$ 1,749.28 (back shift differential)	\$394.39
				\$332.80	\$332.80	\$6.81
				\$499.20	\$499.20	\$10.21
				\$1,040.00	\$1,040.00	\$21.30
				\$540.80	\$540.80	\$11.06
TOTAL				\$27,104.48	\$27,728.48	\$568.21

*Employee is no longer employed by Western Filter as of (b) (7)(C)