

**CONCILIATION AGREEMENT
BETWEEN THE
U. S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS
AND
ANSYS, INCORPORATED
275 TECHNOLOGY DRIVE
CANONSBURG, PA 15317**

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and ANSYS, Incorporated (hereinafter ANSYS) located at 275 Technology Drive, Canonsburg, Pennsylvania.
2. The alleged violations identified in this Agreement were found during a compliance review of ANSYS which began on September 15, 2010 and they were specified in a Notice of Violation issued July 25, 2011. OFCCP alleges that ANSYS has violated 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, and their implementing regulations due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by ANSYS 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 ANSYS' Affirmative Action Plan (AAP). Subject to the performance by ANSYS of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of ANSYS with all OFCCP programs will be deemed resolved. However, ANSYS 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. ANSYS 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 ANSYS' compliance. ANSYS shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve ANSYS 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, formerly 2012),

and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.

7. ANSYS 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, 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 of OFCCP indicates otherwise within 45 days of the Regional Director's signature of this Agreement.
9. If at any time in the future, OFCCP believes that ANSYS has violated any portion of this Agreement during the term of this Agreement; ANSYS 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 ANSYS 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 ANSYS 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.

Liability for violation of this Agreement may subject ANSYS to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-300.65 and/or other appropriate relief.

PART II: Specific Provisions:

- 1 **ALLEGED VIOLATION:** OFCCP alleges that ANSYS paid a female employee at a rate that was less than male employees in the same job title and therefore discriminated against the female employee on the basis of her sex with regard to her compensation. Specifically, OFCCP alleges that ANSYS paid a female employee with the job title (b) (7)(C) less than similarly titled male employees in violation of 41 CFR 60-1.4(a)(1), 60-20.3(c), and 60-20.5(a).

REMEDY: ANSYS will implement the following remedial "make whole actions"

- a. Within fifteen (15) days of the effective date of this Agreement, ANSYS will send or hand deliver to the female (b) (7)(C) employee, listed in Attachment A, a copy of Attachment B entitled "Notice to Employee" along with a copy of Attachment C entitled "Release of Claims Under Executive Order 11246" ("hereinafter the Release"). To be eligible for back pay, the female (b) (7)(C) employee must complete and return the Release to ANSYS so that it is postmarked within 25 days of either the postmark date of the "Notice to Employee," form sent to the female (b) (7)(C) employee, or within 25 days of the date the female (b) (7)(C) gives written conformation signed and dated to ANSYS verifying receipt of the hand delivered Attachments B and the Release.
- b. **Back Pay:** ANSYS will make a lump sum payment of \$16,500. ANSYS will mail or hand-deliver a back pay check, less deductions required by law, to the female (b) (7)(C) employee, if she completes and returns the Release within 25 days of the postmark or within 25 days of the hand-delivery date, as outlined in paragraph a above.
- c. **Training:** ANSYS will develop compensation/equal pay policies. To ensure that salary decisions for all employees are made in a non-discriminatory manner, ANSYS agrees to spend a maximum of \$5,000.00, which can be utilized from existing internal resources, to provide training to all human resources personnel and all other supervisors who make compensation decisions. ANSYS agrees to provide training to all such personnel within 120 days of the effective date of this Agreement. ANSYS will provide documentation to OFCCP of the subjects discussed; the materials reviewed; and the employees who participated.
- d. **Internal auditing:** ANSYS will conduct an annual review of its total employment process, including compensation, to determine whether and where impediments to equal employment opportunity exist. Where ANSYS discovers impediments to equal employment, ANSYS will promptly undertake necessary actions to bring the program into compliance.

2. **VIOLATION:** ANSYS failed to develop Action-Oriented Programs designed to attain the percentage annual placement goals for females in Job Groups 1A, and 2B and minorities in Job Groups 1B, and 5A, as required by 41 CFR 60-2.17(c).

REMEDY: As of August 30, 2011, ANSYS submitted an Action-Oriented Program which was designed to attain the annual placement goals for females in Job Groups 1A, and 2B and minorities in Job Groups 1B, and 5A, as required by 41 CFR 60-2.17 (c).

This violation is deemed resolved.

3. **VIOLATION:** ANSYS failed to immediately list all employment openings at its

Canonsburg, Pennsylvania establishment that were not executive and top management, were not filled within ANSYS' organization and were not positions lasting three days or less, with the local employment service office of the state employment security agency. This is a violation of 41 CFR 60-300.5(a) (2)-(6).

REMEDY: As of August 30, 2011, ANSYS began listing all employment openings at its Canonsburg, Pennsylvania establishment at an appropriate local employment service office of the state employment security agency wherein the openings occur, as required by Paragraphs 2 through 6 of the Equal Opportunity Clause at 41 CFR 60-300.5(a). Specifically, ANSYS agrees to continue to list the employment openings at its Canonsburg, Pennsylvania establishment with the Pennsylvania CareerLink Washington located at 90 West Chestnut Street, Suite 150, Lower Level Washington, PA 15301. Attention: (b) (7)(C)
(b) (7)(C)

4. **VIOLATION:** ANSYS failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified individuals with disabilities for vacancies that were filled through external hire at ANSYS' Canonsburg, Pennsylvania establishment. This is a violation of 41 CFR 60-741.44(f). Specifically, ANSYS did not provide documentation that it sent job vacancy announcements to recruitment sources for qualified individuals with disabilities.

REMEDY: As of August 30, 2011 ANSYS began to undertake appropriate outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified individuals with disability, as required by 41 CFR 60-741.44 (f). In addition, ANSYS agrees to continue its outreach and recruitment activities by sending its job vacancy announcements which will be filled with external candidates to solicit referrals from at least the following organization:

(b) (7)(C)

Office of Vocational Rehabilitation
Washington District Office
201 West Wheeling Street
Washington, Pennsylvania 15301
(724)223-4430 X (b) (7)(C)
(b) (7)(C)

5. **VIOLATION:** ANSYS failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified disabled veterans, recently separated veterans, other protected veterans, and Armed Forces service medal veterans for vacancies that were filled through external hire at ANSYS' Canonsburg, Pennsylvania establishment. This is a violation of 41 CFR 60-300.44 (f). Specifically, ANSYS did not provide documentation that it sent job vacancy announcements to recruitment sources for disabled veterans, recently separated veterans, other protected veterans, and Armed Forces services medal veterans.

REMEDY: ANSYS began on August 30, 2011 to undertake appropriate outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified disabled veterans, recently separated veterans, other protected veterans, and Armed forces service medal veterans, as required by 41 CFR 60-300.44 (f) and agrees to continue to do so. Among its outreach and recruitment activities, ANSYS shall continue to solicit the assistance and support of at least the following organization by sending it job vacancy announcements for vacancies that will be filled through external hire at ANSYS' Canonsburg, Pennsylvania establishment:

(b) (7)(C)
Department of Veteran Affairs
Vocational Rehabilitation & Employment
VA Regional Office
1000 Liberty Avenue, Suite 1626
Pittsburgh, PA 15222
(b) (7)(C)

ANSYS commits that the above Violations will not recur.

PART III: Reporting

In order for OFCCP to monitor ANSYS' progress toward fulfilling the provisions of this Agreement, ANSYS agrees to submit (3) Reports to the OFCCP's Pittsburgh District Office. The date of signature by OFCCP's District Director shall constitute the effective date of this Agreement.

The first Report shall be due within sixty (60) days of the effective date of this Agreement and include the following:

- a. A copy of the completed Release of Claims received from the female (b) (7)(C) employee (see Paragraph A of the Remedy to Violation One in Part II of this Agreement).
- b. A copy of the back pay check (or payment record if the employee receives pay by direct deposit) issued to the female (b) (7)(C).

ANSYS will provide a written explanation and supporting documentation if any of the documentation listed above is missing from the first report.

The second Report shall be due (8) months after the effective date of this Conciliation Agreement and shall cover the six (6) month period of time beginning on the effective date of this Agreement and shall be mailed within sixty (60) days after the close of the first six month period.

- a. Documentation confirming that ANSYS developed and implemented a training program for all employees responsible for making compensation decisions.
- b. Documentation on how ANSYS monitored salaries to ensure non-discrimination and a description of how ANSYS determines individual salaries at the time of hire and promotion and ensures proper placement within the compensation structure.
- c. Documentation of the actions taken and results if statistically significant pay disparities were found in the facility among gender and ethnic groups.
- d. Documentation that ANSYS has conducted an internal auditing which measures the effectiveness of ANSYS' Affirmative Action Program.
- e. Copies of correspondence submitted to and responses received from the organizations identified in Part II of this Conciliation Agreement.
- f. A list of all individuals referred by any of the organizations identified in Part II of this Conciliation Agreement, including but not limited to their name(s) referral date(s) and final disposition, and when applicable, the reason(s) why a referred individual was not hired by ANSYS.
- g. A summary indicating, of the referred individuals, the total number of hires, the number of individuals hired that self-identified as disabled, the number of individuals hired that self-identified as veterans with disabilities and the number of individuals hired that self-identified as veterans.

ANSYS will provide a written explanation and supporting documentation if any of the documentation listed above is missing from the second report.

The third (3rd) Report shall cover the successive six month period beginning at the close of the second (2nd) reporting period and shall be mailed within sixty (60) days after the close of the third reporting period.

- a. Documentation, if applicable, confirming that ANSYS has continued to train all employees responsible for compensation decisions, excluding those employees previously trained in fulfillment of progress report two.
- b. Documentation that ANSYS has continued to execute an internal auditing and reporting system which measures the effectiveness of its Affirmative Action Program which includes:
 - i. Documentation on how ANSYS monitored salaries to ensure non-discrimination and reviewed individual salaries at the time of hire and promotion to ensure proper placement within the compensation structure.
 - ii. Documentation of the actions taken if any statistically significant pay disparities were found in the facility among gender and ethnic groups.
- c. Copies of correspondence submitted to and responses from the organizations identified in Part II of this Conciliation Agreement.
- d. A list of all individuals referred by any of the organizations identified in Part II of this Conciliation Agreement, including but not limited to their name(s), referral date(s), and final disposition, and when applicable, the reason(s) why a referred individual was not hired by ANSYS.
- e. A summary indicating the total number of hires, the number of individuals hired that self-identified as disabled, the number of individuals hired that self-identified as veterans with disabilities and the number of individuals hired that self-identified as veterans, as a result of referrals received from any of the organizations identified in Part II of this Conciliation Agreement.

ANSYS will provide a written explanation and supporting documentation if any of the documentation listed above is missing from any of the above reports.

The fourth (4th) Report shall cover the successive six month period following the third (3rd) reporting period and shall be mailed within sixty (60) days after the close of the fourth reporting period.

- a. Documentation, if applicable, confirming that ANSYS has continued to train all employees responsible for compensation decisions, excluding those employees previously trained in fulfillment of progress report two.

- b. Documentation that ANSYS has continued to execute an internal auditing and reporting system which measures the effectiveness of its Affirmative Action Program which includes:
 - i. Documentation on how ANSYS monitored salaries to ensure non-discrimination and reviewed individual salaries at the time of hire and promotion to ensure proper placement within the compensation structure.
 - ii. Documentation of the actions taken if any statistically significant pay disparities were found in the facility among gender and ethnic groups.
- c. Copies of correspondence submitted to and responses from the organizations identified in Part II of this Conciliation Agreement.
- d. A list of all individuals referred by any of the organizations identified in Part II of this Conciliation Agreement, including but not limited to their name(s) referral date(s) and final disposition, and when applicable, the reason(s) why a referred individual was not hired by ANSYS.
- e. A summary indicating the total number of hires, the number of individuals hired that self-identified as disabled, the number of individuals hired that self-identified as veterans with disabilities and the number of individuals hired that self-identified as veterans, as a result of referrals received from any of the organizations identified in Part II of this Conciliation Agreement.

ANSYS will provide a written explanation and supporting documentation if any of the documentation listed above is missing from any of the above reports.

ANSYS will retain all records pertinent to the alleged violations settled by this Conciliation Agreement and the Reports submitted under it (including the underlying data/information upon which the reports are based) until the expiration date of this Conciliation Agreement or consistent with regulatory timeframes, whichever is later.

ANSYS shall send each Progress Report to:

Tracie Brown
District Director
U.S. Department of Labor
Office of Federal Contract Compliance Programs
Pittsburgh District Office
Room 2103 Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222

Expiration Date:

This Conciliation Agreement will expire sixty (60) days after receipt of the final progress report, or, if compliance is not accomplished by that date, then this Conciliation Agreement shall remain in full force and effect until OFCCP has determined that ANSYS has met all conditions of this Agreement.

PART IV: Signatures

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and ANSYS, 275 Technology Drive, Canonsburg, Pennsylvania 15317.

(b) (7) (c)

Debra Burk
Vice President, Human Resources
ANSYS, Incorporated

9-6-11
DATE

(b) (7) (c)

TRACIE BROWN
District Director
U.S. Department of Labor/OFCCP
Pittsburgh District Office

9/7/2011
DATE

(b) (7) (c)

MICHELE HODGE
Regional Director
U.S. Department of Labor/OFCCP
Mid-Atlantic Regional Office

9/7/2011
DATE

ATTACHMENT B

NOTICE TO EMPLOYEE

Ansys Incorporated (Ansys) and the U. S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) have entered into a Conciliation Agreement (CA) to resolve alleged disparities in the compensation practices for the (b) (7)(C)

Job Title during the period from September 2008 through September 2010.

You have been identified as an individual who worked as a (b) (7)(C)

but who was paid at a rate lower than similarly situated male (b) (7)(C)

As part of this CA, you are eligible to receive a distribution of back pay subject to lawful payroll deductions. **In order to be eligible for this distribution, you must execute the enclosed Address and Social Security Verification, and the Release of Claims Forms and return them within 25 days of this letter's postmark to:**

Sonia Howarth
HRIS Specialist
Ansys Incorporated
275 Technology Drive
Canonsburg, PA 15317

By entering into this CA, Ansys has not admitted, nor has there been any adjudicated finding that Ansys violated any laws. Ansys has entered into this CA for its convenience and to resolve the matter without further legal proceeding.

If you have any questions, you may call _____ at _____ or Tracie Brown, District Director, OFCCP – Pittsburgh District Office, at 412-395-4323. Your call will be returned as soon as possible.

Sincerely,

(Name of Ansys Representative)
(Title)

ATTACHMENT C
RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

In consideration of the payment of a pro rata share of back pay and interest (less deductions required by law) to be made by Ansys to me, and also in consideration of the Conciliation Agreement between Ansys and the U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP), I agree to the following:

I.

I hereby waive, release, and forever discharge Ansys, its predecessors, related entities, subsidiaries, and organizations, and its and their directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of 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 being compensated as a (b) (7)(C) at a rate lower than similarly situated male (b) (7)(C) from September 2009 to September 2010.

II.

I understand that if I am concerned about how the process described in this Release applies to me, I may contact OFCCP for assistance at (412) 395-4323.

III.

I understand that Ansys denies that it treated me unlawfully or unfairly in any way, and that Ansys entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and to bring closure to the Compliance Review initiated by OFCCP on September 15, 2010. I further agree that the payment of the aforesaid sum by Ansys to me is not to be construed as an admission of any liability by Ansys.

IV.

I understand that this Release is a legal document, and 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.

V.

I understand that if I do not sign this Release and return it to Ansys within twenty-five (25) days of the post-marked date of the Notice to Class Members sent to me, I will not be entitled to receive any share of back pay (less deductions required by law) from Ansys Corporation.

IN WITNESS WHEREOF, I have set my hand to this _____ day of _____ 200_.

Signature

**Mid-Atlantic Region
Conciliation Agreement Financial Settlement**

Contractor: Ansys, Inc.

Control Number: R00161685

Back pay:

1. Shortfall Totals: Not applicable (Compensation Investigation).
2. Victim Totals: 1
3. Factors Used in Back pay Calculations:
 - A. Shortfall: Not applicable (Compensation Investigation).
 - B. Turnover/Tenure Rate-Not applicable (Compensation Investigation)
 - C. 1 Year - Wage Difference (Due to pay freeze during the second year, only one year was utilized)
= \$16,500

Back pay = \$16,500

4. Types of Benefits Considered: Fringe, Health and Welfare
Total Benefits = Bonus \$2,996.69
5. Mitigation: Not Applicable (Compensation Investigation)

Mid-Atlantic Region
Conciliation Agreement Financial Settlement (continued)
Contractor: Ansys
Control Number: R00151602

6. Compound Interest = \$133.70

TOTAL BACKPAY +Bonus and INTEREST SETTLEMENT

Total Back Pay

Back pay = \$16,500

Interest Compounded Quarterly for 1 year=

Interest = \$133.70

Bonus = \$2,996.69

Back pay \$13,369.61+ \$2,996.69 Bonus + Interest \$133.70

Total Back pay =\$16,500

7. Additional negotiated amounts:

Annualized Salary for female Victim:

A. Total Annual wages paid to the female after the review was focused (4/1/11) =

\$48.71 (per hour) x 2080 (hrs worked per yr) = \$101,310

Minus the Total wages paid to female victim prior to the review=

\$40.30 (per hour) x 2080 (hrs worked per yr) = \$83,841.95

\$101,310

- \$83,841.95

\$ 17,468.05

Total Annualized Salary = \$17,468.05

B. Shortfall = N/A (no shortfall - Compensation Investigation).

8. TOTAL FINANCIAL SETTLEMENT

Back-pay	\$13,369.61
Interest	\$133.70
Bonus	\$2,996.69
<u>Total Annualized Salary-</u>	\$17,468.05

Total Financial Settlement = \$33,968.05