

CONCILIATION AGREEMENT

Between

The U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACTOR COMPLIANCE PROGRAMS

and

CAREFUSION CORPORATION
3750 TORREY VIEW COURT
SAN DIEGO, CA 92130

PART I: PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated CareFusion Corporation's (hereinafter "CareFusion"), facility located at 22745 Savi Ranch Parkway, Yorba Linda, California 92887, and found that CareFusion was not in compliance with Executive Order 11246, as amended, and its implementing regulations at 41 CFR Sections 60-1 and 60-2.¹ OFCCP notified CareFusion of the specific violations found and the corrective actions required in a Notice of Violations dated October 24, 2016. 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 CareFusion enter into this Conciliation Agreement and agree to all the terms stated below.

PART II: GENERAL TERMS AND CONDITIONS

1. In exchange for CareFusion's fulfillment of all obligations in Parts III and IV of the Conciliation 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 this Conciliation Agreement itself, or to correct and obtain relief for the violations described in Part III if CareFusion violates this Conciliation Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. CareFusion 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. CareFusion will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.
3. CareFusion understands that nothing in this Agreement relieves CareFusion of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment laws.

¹ In connection with recent divestiture, CareFusion no longer owns or operates the Yorba Linda facility.

4. CareFusion promises not to harass, intimidate, threaten, discriminate, or otherwise retaliate 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, or VEVRAA, or engages in any activity listed at 41 C.F.R. Section 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 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 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) days after CareFusion submits the final progress report required in Part IV below, unless OFCCP notifies CareFusion in writing prior to the expiration date that CareFusion has not fulfilled all of its obligations under this Agreement, in which case the Agreement is automatically extended until the date that OFCCP determines that CareFusion has met all of its obligations under this Agreement.
10. If CareFusion violates this Conciliation Agreement,
 - A. The procedures set forth at 41 C.F.R. Section 60-1.34 will govern:
 - 1) If OFCCP believes that CareFusion violated any term of this Agreement while it was in effect, OFCCP will send CareFusion a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) CareFusion will have fifteen (15) 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 the affected employees, former employees, or applicants.
 - 3) If CareFusion 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. CareFusion may be subject to the sanctions set forth in Section 209 of Executive Order 11246, and/or other appropriate relief for violation of this Agreement.

PART III: SPECIFIC VIOLATIONS AND REMEDIES

1. COMPENSATION DISCRIMINATION

- A. Statement of Violation: OFCCP alleges CareFusion failed to ensure that all employees were compensated without regard to gender as required by 41 CFR § 60-1.4(a) and 41 CFR § 60-20.5(a).
- B. OFCCP's Specific Findings: Specifically, OFCCP's review of CareFusion's compensation practices for its Professionals job group position of *Specialist, Quality Document Systems Management*, during the review period beginning September 22, 2014, revealed that one female employee with comparable qualifications, skills, experience, and seniority was compensated at lower annual salary rate than her similarly situated male counterpart, in violation of 41 CFR § 60-1.4(a) and 41 CFR § 60-20.5(a).
- C. Remedy For Affected Party: CareFusion must agree to implement measures to ensure that its compensation system is applied equally to all employees, regardless of gender. This consists of all aspects of compensation, including but not limited to, initial salary at the time of hire, promotion, and/or progression into higher paying categories and positions. In order to resolve this violation, CareFusion must agree to the following:
1. Provide back pay (including interest) to one female employee (Ms. (b) (7)(C) employee (b) (7)(C) hereafter referred to as the 'Affected Party') in the *Specialist, Quality Document Systems Management* position who was compensated at a lower annual salary rate than her similarly situated male counterpart.

In order to facilitate resolution of the above referenced violation, CareFusion agrees to provide make-whole relief consisting of back pay and interest, for a total financial settlement amount of \$15,908.76 (comprised of \$15,232.67 in backpay and \$676.09 in interest), less appropriate withholding, for the above-referenced female.

- a. Notification of Affected Party: Within twenty (20) calendar days after the effective date of this Agreement, CareFusion agrees to deliver 'Notification Letter (Attachment A)' via 'In Person' hand delivery, or via certified United States Postal Service (USPS) mail, Return Receipt Requested (hereinafter USPS Form 3811), to the female (hereafter 'Affected Party') to notify her of this Conciliation Agreement. Enclosed with the Notification Letter will be an 'Address, Social Security, and Payment Method Verification Form (hereafter "Verification Form" or "Attachment B")' requesting verification of the Affected Party's current address, telephone number, social security number, and the method by which settlement funds shall be received. Also enclosed with the Notification Letter will be a 'Release of Claims Form (Attachment C)'. The Affected Party shall use the Verification Form (Attachment B) to indicate the preferred method of delivery for the financial settlement amount. The Affected Party shall return the completed Verification Form and Release of Claims Form within fifteen (15) calendar days of the hand delivery receipt or USPS postmark date of the Notification Letter.

Within ten (10) calendar days after the above referenced fifteen (15) calendar day response period expires, CareFusion shall notify OFCCP if the Affected Party has not received or responded to the Notification Letter within the allotted fifteen (15) calendar day period. Upon such notification, OFCCP will have an additional ten (10) calendar days from receipt of notice

from CareFusion to locate the Affected Party and to provide updated contact information to CareFusion for that Affected Party. OFCCP will use its best efforts to contact the Affected Party, including contacting the Affected Party's last known telephone number and email address in attempt to ascertain her mailing addresses.

Within five (5) calendar days of receiving from OFCCP the Affected Party's updated mailing address, CareFusion will send to the newly located Affected Party's address a second Notification Letter (Attachment A) containing Attachments B and C. The Affected Party will have fifteen (5) calendar days after the postmark of the second Notification Letter to respond by returning the completed Verification Form and Release of Claims Form. If the Affected Party is unable to be located, or if the Affected Party fails to return a completed Verification Form and Claims Form after expiration of the second notification period, the Affected Party will not be eligible for the financial settlement amount outlined in Paragraph (b) this Agreement.

- b. **Financial Settlement Distribution:** CareFusion shall distribute to the Affected Party the above referenced cumulative financial settlement amount of \$15,908.76 (less appropriate withholding) within ten (10) calendar days after receipt of completed forms referred to above as Attachments B and C. CareFusion shall affect delivery of the settlement funds via the following method:
 1. **Special Courier:** CareFusion shall engage the services of a 'Special Courier' (e.g., FedEx, UPS) to deliver the settlement funds to the Affected Party at a previously designated location (e.g., the residence of the Affected Party). The funds are to be delivered to, and received by, the Affected Party only. The Affected Party shall be required to provide one form of picture identification (current driver's license, passport, employment identification), and a clear and legible signature indicating her verification and receipt of the settlement check amount. The Special Courier shall verify the Affected Party's signature and identification before the settlement check is released from the Special Courier to the Affected Party.
 2. **In Person Delivery:** CareFusion shall deliver the settlement funds via 'in-person' delivery by a CareFusion Official to the Affected Party's normal place of employment or another previously designated location. The funds are to be delivered to, and received by, the Affected Party only. The Affected Party shall be required to provide one form of picture identification (current driver's license, passport, employment identification), and a clear and legible signature indicating her verification and receipt of the settlement check amount. The CareFusion official shall verify the Affected Party's signature and identification before the settlement check is released from the CareFusion Official to the Affected Party.

Payment to the Affected Party shall be made in a lump sum, less any appropriate employment withholding deductions. CareFusion will send the Affected Party an appropriate Internal Revenue Service Form W-2 Wage and Tax Statement with respect to any amounts required to be reported on such forms and a Form 1099 for amounts required to be reported in such a manner, including the interest.

Said payment shall constitute a full and final settlement of any and all financial claims related to this violation.

D. Develop and implement policies and procedures to ensure that its Compensation System does not discriminate against employees due to gender or on the basis of any other prohibited factor.

1. Policy Implementation and Training: CareFusion agrees to implement the following proactive measures to ensure the maintenance of a workplace that is free from discrimination. CareFusion commits itself to ensuring this alleged violation does not recur. In so doing, CareFusion agrees to the following:

- a. CareFusion shall take reasonable steps to insure that all employment decisions (including hiring, promotion, termination, and compensation) are administered in a nondiscriminatory manner.
- b. CareFusion shall implement appropriate policies and procedures to eliminate discrimination from all of its employment-related decisions (including hiring, promotion, termination, and compensation).
- c. CareFusion shall review its equal employment obligations and nondiscrimination policies and procedures, and reaffirm its commitment to maintaining a workplace free from discrimination with all faculty and administration employees on (at least) an annual basis.

CareFusion commits that this violation shall not recur.

PART IV: REPORTING

In order for the OFCCP to monitor compliance with this Agreement, CareFusion agrees to submit one progress report to the U.S. Department of Labor, OFCCP, Orange Area Office, 770 The City Drive, Suite 5700, Orange California 92868-4955.

REPORT DUE DATE

Report 1: 60 days from Effective Date of Agreement (EDA)

REPORTING PERIOD

EDA through 50 days after EDA

PROGRESS REPORT #1: For this Progress Report, CareFusion agrees to provide the following:

1. Documentary evidence (i.e., cancelled check) which indicates the Affected Party's successful receipt of the settlement funds as required by Part III, Item 1(A)(1) of this Agreement.
2. Within twenty (20) days following the issuance of the Financial Settlement (check), CareFusion will submit acceptable documentary evidence which will substantiate the Affected Party's receipt of the Financial Settlement. This documentation shall take the form of a copy of a cancelled check which has been signed by the Affected Party or a receipt signed by the Affected Party indicating that she has received payment of the Financial Settlement amount.

PART V: SIGNATURES

This Conciliation Agreement is hereby executed by and between the U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) and CareFusion Corporation.

Date: 12/13/16

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

Linda Tharby
Chief Human Resources Officer
Becton Dickinson
1 Becton Drive
Franklin Lakes, NJ 07417

Date: 12/14/16

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

Senior Compliance Officer
Office of Federal Contract Compliance
Programs
Orange Area Office

Date: 12/14/16

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

Hector M. Sanchez
Area Director
Office of Federal Contract Compliance
Programs
Orange Area Office

Date: 12/15/16

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

Janette Wipper
Regional Director
Office of Federal Contract Compliance
Programs
Pacific Region

NOTIFICATION LETTER (Attachment A)

Via Hand Delivery (and/or)
Certified Mail, Return Receipt Requested

DATE

(b) (7)(C), (b) (7)(E)

CareFusion Corporation
22745 Savi Ranch Parkway
Yorba Linda, CA 92887

Dear Ms. (b) (7)(C)

CareFusion Corporation, located at 22745 Savi Ranch Parkway, Yorba Linda, California 92887 and the Department of Labor's Office of Federal Contract Compliance Programs (hereinafter "OFCCP") have entered into a Conciliation Agreement (CA) to resolve alleged violations of certain federal labor laws which were discovered during an OFCCP compliance evaluation.

As part of this Conciliation Agreement, you are eligible to receive a monetary distribution in the amount of \$15,908.76, less lawful payroll deductions. In order to be eligible for this distribution, you must execute and return the following enclosed documents: (1) Address and Social Security Verification Form, (2) Release of Claims Form (hereafter the 'Attachments'), within fifteen (15) calendar days of the hand delivered receipt or, if mailed, the postmark of this letter to:

Lynda Fouts
Manager, Advice & Counsel Center
North America Service Delivery
Becton Dickinson
3750 Torrey View Ct.
San Diego, CA 92130
lynda.fouts@bd.com

If you fail to return any of the required documentation within the specified timeframe, you will be ineligible for the monetary relief provided for by this Conciliation Agreement.

By entering into this Conciliation Agreement, CareFusion has not admitted, nor has there been any adjudicated finding that CareFusion violated any laws related to the OFCCP evaluation. CareFusion has entered into this Conciliation Agreement for its convenience and to resolve this matter without further legal proceeding.

If you have any questions concerning the return of the Attachments, please call Lynda Fouts of CareFusion at (858) 617-5806. If you have any questions concerning the reason why you've received this Notification, please call (b) (7)(C), (b) (7)(E) Sr. Compliance Officer at OFCCP. Your call will be returned as soon as possible.

Sincerely,

Lynda Fouts
Manager, Advice & Counsel Ctr.
North America Service Delivery

Enclosures: Address Verification Form (Attachment B);
Release of Claims Form (Attachment C);

Attachment B
Address, Social Security, and Payment Method Verification Form

You must complete this form in order to be eligible for any monetary distribution under the terms of the Conciliation Agreement (CA) between CareFusion Corporation (hereinafter "CareFusion") and the U.S. Department of Labor's Office of Federal Contract Compliance Programs (hereinafter "OFCCP").
Please print legibly, except for the signature.

CURRENT NAME, ADDRESS, AND TELEPHONE NO.:

Name: _____

Address: _____

Telephone Number: _____

Please notify CareFusion's legal representative at the address below if your address changes within the next ninety (90) days or prior to completion of the Settlement Payment process.

MY PREFERRED METHOD OF PAYMENT OF SETTLEMENT FUNDS IS VIA:

☐ Check (To Be Personally Delivered via Courier to Address Listed Above):

☐ Check (To Be Personally Delivered via CareFusion Representative at _____)

(b) (7)(C)

(b) (7)(C)

SOCIAL SECURITY NUMBER (required for tax purposes only):

_____-__-____

You must return this form to CareFusion's designated legal representative, postmarked within fifteen (15) calendar days of the hand delivery receipt date or USPS postmarked date of the envelope containing this notice. The completed form should be returned to:

Lynda Fouts
Manager, Advice & Counsel Center
North America Service Delivery
Becton Dickinson
3750 Torrey View Ct.
San Diego, CA 92130
lynda.fouts@bd.com

"I (Print Your Name Here) _____, certify that the above as true and correct."

(b) (7)(C) _____
Signature)

Date Signed

Attachment C

RELEASE OF CLAIMS

This Release of Claim under Executive Order 11246 ("Release") is a legal document. The document states that in return for CareFusion Corporation paying you money, you agree that you will not file any lawsuit against CareFusion for allegedly violating Executive Order 11246, in its compensation of female(s) in its Professional job group positions. It also says that CareFusion does not admit it violated any laws. This Release says you have had sufficient time to look at the document, talk to others about the document, including an attorney if you so choose, and that no one pressured you into signing this 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 \$15,908.76 (less any deductions required by law) by CareFusion, Incorporated (hereinafter "CareFusion") to me, which I agree is acceptable, and also in consideration of the Conciliation Agreement between CareFusion and the Office of Federal Contract Compliance Programs (hereinafter "OFCCP"), I agree to the following:

I.

I hereby waive, release and forever discharge CareFusion, 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 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 in the Specialist, Quality Document Systems Management position, based on my gender, at any time prior to the effective date of this Release.

II.

I understand that CareFusion denies that it treated me unlawfully or unfairly in any way and that CareFusion 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 compensation and to resolve the matter without further legal proceedings in the compliance review initiated by OFCCP on April 3, 2015. I further agree that the payment of the aforesaid sum by CareFusion to me is not to be construed as an admission of any liability by CareFusion.

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 CareFusion's legal representative, **postmarked within fifteen (15) calendar days from the postmarked date on the envelope in which I received this Release**, I will not be entitled to receive the payment (less deductions required by law) from CareFusion.

IN WITNESS WHEREOF, I am signing this document of my own free will.

Name of Affected Party (please print)

Signature of Affected Party

Date