

Conciliation Agreement
Between the United States Department of Labor
Office of Federal Contract Compliance Programs
And
Kimball Electronics Tampa, Incorporated
1600 Royal Street
Jasper, Indiana 47546

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Kimball Electronics Tampa Incorporated (hereinafter, Kimball).
2. The violation identified in this Agreement was found during a compliance evaluation of Kimball at its establishment located at 13750 Repron Blvd., Tampa, Florida, which began on July 16, 2009, and it was specified in a Notice of Violation issued July 6, 2011. OFCCP alleges that Kimball has violated Executive Order 11246, as amended, and its 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 Kimball of any violation of Executive Order 11246, as amended and its implementing regulations.
4. The provisions of this Agreement will become part of Kimball's affirmative action program (AAP). Subject to the performance by Kimball of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Kimball with all OFCCP programs will be deemed resolved. However, Kimball 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. Kimball 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 Kimball's compliance. Kimball shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Kimball from the obligation to comply with the requirements of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and their implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Kimball 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 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

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signature by the District Director for OFCCP, unless the Regional Director or Deputy Assistant Secretary, OFCCP, indicates otherwise within 45 days of the Regional Director's signature on this Agreement.

9. If, at any time in the future, OFCCP believes that Kimball has violated any portion of this Agreement during the term of this Agreement, Kimball 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 Kimball 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 Kimball has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violation resolved by this Agreement.

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

PART II: Specific Provisions

VIOLATION: Compensation data provided by Kimball for employees as of June 30, 2009, revealed that Kimball provided lower compensation to a female employee than to similarly situated male employees in the (b) (7)(C) job title. Time with Kimball, time in current job title, experience, and performance did not explain the disparities in compensation. Accordingly, OFCCP finds that Kimball discriminated against one female (b) (7)(C) employee, paid less than the male (b) (7)(C) comparators because of her gender, in violation of 41 CFR 60-1.4(a) (1).

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

REMEDY: Kimball will provide (b) (7)(C) with \$2,620.80 in salary adjustments. Additionally, Kimball will disburse \$8,844.40 in back pay, \$452.95 in interest, and \$260 in benefits totaling \$9,557.35 to (b) (7)(C). The money will be paid to (b) (7)(C) in a lump sum, less appropriate legal deductions. This payment will be reduced by withholdings for federal income tax, state, and/or local income tax, and (b) (7)(C) share of FICA. (b) (7)(C) shall receive an IRS Form W-2 for her share of the back pay and benefits and an IRS Form 1099 for her share of the interest amount.

Kimball will not retaliate, harass, or engage in any form of reprisal or other adverse action against (b) (7)(C) based on or in relation to the terms or provisions of this Remedy.

Within 60 days of the District Director's signature on this Agreement, Kimball will provide additional training on its equal employment opportunity programs for all persons involved in

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determining compensation amounts paid to Kimball's Tampa facility employees. Kimball will update this training annually.

Kimball will immediately review and revise, as appropriate, its compensation system to ensure that this violation ceases. In addition, Kimball will review at least annually and revise, as needed, its compensation system to ensure that this violation does not recur.

FUTURE CONDUCT: Kimball will not repeat the above violation.

PART III: Reporting

Kimball shall submit **two reports**, as stated below, to Miguel A Rivera Jr., District Director—Orlando, United States Department of Labor, Office of Federal Contract Compliance Programs, 1001 Executive Center Drive, Suite 100, Orlando, Florida 32803; Attention: (b) (7)(C), Compliance Officer.

The **first report** shall be due 60 days after the date this Agreement is signed by the District Director, OFCCP. The first report shall consist of the following:

1. Copies of personnel forms confirming salary adjustments made to (b) (7)(C);
2. Evidence of back pay monies disbursed to (b) (7)(C) and 401K contributions, including copies of the cancelled checks and pay slips showing the gross amount and legal deductions;
3. Results of Kimball's review of its compensation system, to include findings, additional equity adjustments and back pay, if any; and
4. Documentation of training that Kimball provided on its equal employment opportunity programs for all persons involved in determining compensation amounts paid to Kimball's employees.

The **second report** shall be due on September 20, 2012 and will cover the period beginning the day after the conclusion of the period covered by the first report and ending September 1, 2012. This report will detail the results of Kimball's annual review of its compensation system, including findings, additional equity adjustments and back pay, if any.

TERMINATION DATE: This Agreement will expire 90 days after OFCCP receives the second and final report required in Part III above or on the date that the District Director gives notice to Kimball that Kimball has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies Kimball in writing prior to the end of the 90-day period that Kimball has not satisfied its reporting requirements pursuant to this Agreement.

INTEGRATION CLAUSE: This Agreement represents the full Agreement between Kimball and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither Kimball nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

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PART IV: Signatures

The person signing this Conciliation Agreement on behalf of Kimball Electronics Tampa personally warrants that she is fully authorized to do so, that Kimball Electronics Tampa has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Kimball Electronics Tampa. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Kimball Electronics Tampa.

DATE: 9/1/2011

(b) (7) (c)

Mahmoud Zand
General Manager
Kimball Electronics Tampa Inc.
13750 Reptron Blvd.
Tampa, Florida 33626

DATE: 9/9/2011

(b) (7) (e)

Compliance Officer—Orlando
Office of Federal Contract
Compliance Programs

DATE: 9/9/2011

(b) (7) (c)

Jacqueline Ortiz-Baerga
Assistant District Director—Orlando
Office of Federal Contract
Compliance Programs

DATE: 09/21/11

(b) (7) (c)

Miguel A. Rivera, Jr.
District Director—Orlando
Office of Federal Contract
Compliance Programs