

CONCILIATION AGREEMENT

Between

THE U. S. DEPARTMENT OF LABOR

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

and

LAND O' LAKES, INC.
1080 CTY ROAD F WEST
SHOREVIEW, MN 55126

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") commenced a compliance evaluation of Land O'Lakes, Inc. ("Land O' Lakes") establishment located at 1080 County Road F West, Shoreview, MN on August 19, 2009 and alleged that Land O' Lakes was not in compliance with the Executive Order 11246, as amended ("E.O. 11246"), and its implementing regulations at 41 C.F.R. Parts 60-1 and 60-2. OFCCP notified Land O' Lakes of the alleged initial violations found and the corrective actions required in a Notice of Violations issued on July 8, 2013. 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 Land O' Lakes enter this contract ("Conciliation Agreement" or "Agreement") and agree to all the terms stated below.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for Land O' Lakes' 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 alleged violation 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 Land O' Lakes violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.

2. Land O' Lakes 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. Land O' Lakes will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.
3. Land O' Lakes understands that nothing in this Agreement relieves Land O' Lakes 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"); the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 ("VEVRAA"); their implementing regulations; and other applicable equal employment laws.
4. Land O' Lakes 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 Midwest 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) days after Land O' Lakes submits the reports required in Part IV-1.D, below, unless OFCCP notifies Land O' Lakes in writing prior to the expiration date that Land O' Lakes has not fulfilled all of its obligations under the Agreement, in which case, the Agreement is automatically extended until the date that OFCCP determines Land O' Lakes has met all of its obligations under the agreement.
10. If Land O' Lakes violates this Conciliation Agreement,

A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:

- 1) If OFCCP believes that Land O' Lakes violated any term of the Agreement while it was in effect, OFCCP will send Land O' Lakes a written notice stating the alleged violations and summarizing any supporting evidence.
- 2) Land O' Lakes will have 15 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 Land O' Lakes 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. Land O' Lakes 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 Land O' Lakes of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that Land O' Lakes violated any laws.

PART III. SPECIFIC ALLEGED VIOLATIONS AND REMEDIES

1. COMPENSATION DISCRIMINATION.

A. STATEMENT OF ALLEGED VIOLATION.

OFCCP alleges that Land O' Lakes was not in compliance with the nondiscrimination requirements of the equal opportunity clause of E.O. 11246 § 202 and 41 C.F.R. § 60-1.4(a)(1). OFCCP's analysis of Land O'Lakes's compensation data for livestock production specialist employees as of May 29, 2009, through a multiple regression analysis, revealed that sex was a statistically significant predictor for pay. OFCCP's investigation found that female employees received less compensation because of their sex, in violation of 41 C.F.R. § 60-1.4(a)(1).

B. OFCCP'S SPECIFIC FINDINGS.

OFCCP's analysis showed that Land O' Lakes failed to ensure its employees are compensated without regard to sex. Specifically, OFCCP alleges Land O' Lakes paid 14 female employees less in annual salary than [REDACTED] male employees in the Livestock Production Specialist job title as of May 29, 2009. Controlling for non-discriminatory factors that were significant predictors for pay, OFCCP's multiple regression analysis showed the alleged disparity in compensation paid to female employees to be statistically significant at the level of [REDACTED] standard deviations for Livestock Production Specialists.

OFCCP alleges that this disparity was caused by discriminatory duty assignments, sales incentive pay program, and pay increases. Land O' Lakes denies OFCCP's allegations.

C. REMEDY FOR AFFECTED CLASS.

1) Notice. Within thirty (30) calendar days of the Effective Date of this Agreement, Land O' Lakes must notify the Female Livestock Production Specialists listed in Attachment 4 of the terms of this Agreement by mailing by first class mail to each individual in the affected class the Notice to Affected Class (Attachment 1, "Notice"), the Information Verification Form (Attachment 2, "Information Form"), the Release of Claims (Attachment 3), and a Form W-4 [or any other paperwork required for Land O' Lakes to make the required payment and calculate and withhold taxes] and a postage paid return envelope. Land O' Lakes will notify OFCCP of all letters returned as undeliverable thirty (30) days after the response deadline. In addition, within thirty (30) calendar days after expiration of the response deadline set out in the Information Form, Land O' Lakes will provide OFCCP with a list of the individuals in the affected class who have not yet responded to the Notice and/or have not returned a signed Information Form. OFCCP will then attempt to obtain and provide updated addresses to Land O' Lakes within thirty (30) days of receiving the list from Land O' Lakes. Land O' Lakes agrees to mail by first class mail a second Notice, Information Form, Release of Claims, Form W-4 [or any other paperwork required for Land O' Lakes to make the required payment and calculate and withhold taxes] and postage paid return envelope to all individuals for whom updated addresses were obtained within ten (10) days of receiving the updated addresses.

2) Eligibility. All members of the affected class listed on Attachment 4 who sign and return the Information Form and Release of Claims Form (Attachment 3) to Land O' Lakes within thirty (30) days of the postmarked date on the envelope containing the first or second Notice (as applicable), Information Form and Release

of Claims Form ("Eligible Class Members") will receive a share of the monetary settlement. If an individual receives, but does not return the Information Form and Release of Claims Form to Land O' Lakes within thirty (30) calendar days of the postmarked date on the envelope containing the first or second Notice (as applicable), Information Form and Release of Claims Form, she will no longer be entitled to a payment under this Agreement.

Within thirty (30) days after the response deadline set out in the Information Form, Land O' Lakes will provide OFCCP with a list of the Eligible Class Members (individuals who returned the Information Form by the deadline). Within ten (10) calendar days after receiving the list, OFCCP will approve the final list of Eligible Class Members or discuss with Land O' Lakes any issues necessary to finalize the list, such as the inclusion or exclusion of certain individuals.

3) Monetary Settlement (Back Pay). Land O' Lakes agrees to distribute \$42,000 (\$37,296 in back pay and \$4,704 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), to all Eligible Class Members on the final approved list in the amounts listed in Attachment 4.

Land O' Lakes 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 at the end of the year. Land O' Lakes will disburse the monetary settlement within sixty (60) calendar days after OFCCP approves the final list of Eligible Class Members.

Any check that remains uncashed 120 days after the initial date the check was mailed to the Eligible Class Member will be void. Due to the small number of female class members, Land O' Lakes will not make a second distribution of any uncashed funds from the first mailing of checks. Land O' Lakes will use any uncashed funds to conduct equal employment opportunity (EEO) training at the Coops included in its Affirmative Action Program.

4) Impact Analysis and Prospective Salary Adjustments. Within sixty (60) days of the Effective Date of this Agreement, Land O' Lakes will conduct a regression analysis of compensation using the methodology described in Attachment 5 ("Statistical Analysis") for Livestock Production Specialists using payroll data that is current as of December 31, 2016. If the analysis results in a statistically significant disparity (t-statistic) of [REDACTED] or more, adverse to females, Land O' Lakes agrees to increase the salaries of females using the formula set forth in Section II of the Statistical Analysis within ninety (90) days after conducting the analysis. OFCCP acknowledges that the

methodology described in Attachment 5 has been agreed to by the parties solely for the purpose of determining what, if any, additional remedies are to be provided pursuant to Part III-C(4) of this Agreement, that Land O' Lakes does not agree that the methodology described in Attachment 5 is legally or scientifically appropriate, and that Land O' Lakes is under no obligation to use the methodology described in Attachment 5 for any other purpose including, but not limited to, compliance with Executive Order 11246 or the fulfillment of its obligations under Part III-D of this Agreement.

D. NON-MONETARY REMEDIES. Land O' Lakes will ensure that all employees are afforded equal employment opportunities. Land O' Lakes agrees to continue or to implement the corrective actions detailed below.

1) Non-Discrimination. Land O' Lakes will not assign employees or administer its sales incentive program in a manner which negatively affects the yearly compensation of female Livestock Production Specialists.

2) Evaluation. For the Livestock Production Specialists, Land O' Lakes will conduct a study to evaluate whether promotion decisions, performance evaluation ratings, procedures for assigning work, the availability of training opportunities, leave policies, steering applicants into low paying jobs, and/or limiting the opportunity to transfer to better jobs have a disproportionately negative effect on the compensation of females.

3) Implement Improved Policies. Land O' Lakes will eliminate any practices that had or have an adverse effect on the compensation of females and draft or revise policies, if necessary, to support the elimination of such practices.

- SETTING STARTING SALARY:

Land O' Lakes will implement guidelines for determining the starting salaries to be assigned to newly hired Livestock Production Specialists. Factors included in setting starting salary may include information regarding the employee's certifications, previous experience, and the salaries of similarly situated Land O' Lakes peers. Employees' pre-hire salary at his or her former employer should not be the sole factor considered because prior salary can reflect race or sex-based compensation discrimination.

- TRACKING AND EVALUATION:

Land O' Lakes will, at least annually, review compensation policies and practices relevant to Livestock Production Specialists to ensure that they are not discriminatory.

- **DOCUMENT RETENTION:**

Land O' Lakes will ensure that its Record Retention policy meets or exceeds the requirements of 41 C.F.R. § 60-1.12(a) and Part 60-3.

4) **Training.** Within 180 calendar days of the Effective Date of this Agreement, Land O' Lakes must train all individuals involved in any way in determining compensation for Livestock Production Specialist positions on non-discriminatory compensation practices.

5) **Self-monitoring/Auditing.** Land O' Lakes will monitor base salary as well as the administration of non-base compensation and benefits and adverse employment actions such as job assignments, starting salary, incentive bonuses, pay increases, etc. for any indication of statistically significant disparities based on sex and will investigate and remedy any such inequity that may be established.

- Land O' Lakes expressly agrees to investigate any complaint or information it receives that may indicate compensation disparities.
- Land O' Lakes commits to self-monitor its compensation program for Livestock Production Specialists on an annual basis.
- Land O' Lakes will evaluate (1) whether the eligibility criteria for determining base and non-base compensation are uniformly applied without regard to race or sex and (2) whether eligible employees receive base and non-base compensation in nondiscriminatory amounts.
- If Land O' Lakes finds evidence that the criteria are not uniformly applied to all employees, it will create a written guidance document explaining the criteria and procedures for awarding base and non-base compensation and it will provide related training to all employees who make compensation decisions.
- If there is a statistically significant difference in the base and/or non-base compensation of different race or gender groups, Land O' Lakes agrees to adjust base and/or non-base pay to correct any disparities found.

Part IV. REPORTS REQUIRED

1. In addition to the Reporting required under Part III.1.C., Land O' Lakes must submit the documents and reports described below to: Nathaniel Jackson, Assistant District Director, OFCCP Minneapolis District Office, 920 Second Avenue South, Suite 575, Minneapolis, MN 55402.

- A.** Within 120 calendar days of the Effective Date of this Agreement, Land O' Lakes must submit a report of the corrective actions implemented under Part III.1.D(1-5) of this Agreement.
 - B.** Within 210 calendar days of the Effective Date of this Agreement, Land O' Lakes must submit documentation that all managers, supervisors, and other personnel involved in making compensation decisions for Livestock Production Specialists have received training on all new and revised policies, procedures, and programs developed under Part III-1.D(3) of this Agreement. The documentation must include the dates of the training, the names and job titles of all attendees, an outline of the topics discussed during the training, and the name and job title of each person who conducted the training.
 - C.** Within the prescribed timeframes, Land O' Lakes must submit all documents and information referenced in Part III-1.C.
 - D.** Land O' Lakes must submit a progress report ten months after the Effective Date of this Agreement including the following:
 - 1) Documentation of monetary payments to all Eligible Class Members as specified in section Part III-1.C. The documentation must include the names of Eligible Class Members who were paid, and, for each Eligible Class Member, the number and the amount of the check and the date the check cleared the bank. In addition, Land O' Lakes shall provide proof of internal EEO training to Coops of any uncashed funds as required in Part III.1.C.3. Land O' Lakes must provide OFCCP with copies of all canceled checks upon request;
 - 2) Land O' Lakes will provide OFCCP the Statistical Analysis described in Part III-1.C(4) of the Agreement, including the database, output, and statistical log from the Statistical Analysis; and
 - 3) Land O' Lakes must provide documentation describing all Salary Adjustments required by Part III-1.C(4) and D(5) of the Agreement. The documentation must include the amount of each adjustment, the date each adjustment will be/was made, and the sex of each individual receiving an adjustment.
- 2.** Land O' Lakes will retain all records and data pertinent to the alleged violations resolved by this Agreement and/or used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever date occurs later.

PART V. SIGNATURES

The person signing this Conciliation Agreement on behalf of Land O'Lakes, Inc. personally warrants he is fully authorized to do so, that Land O' Lakes Inc. has entered in to this Conciliation Agreement voluntarily and with full knowledge of the effect thereat and that execution of this Agreement is fully binding on Land O' Lakes, Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Land O' Lakes, Inc. 1080 CTY Road F. West Shoreview, Minnesota 55126.

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

DAVID HOOGENBOED
Chief Operating Officer Feed Division
Land O' Lakes, Inc.
Shoreview, MN

DATE:

3/6/17

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

Compliance Officer
OFCCP, Minneapolis District Office
Midwest Region

DATE:

3/13/17

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

NATHANIEL JACKSON
Assistant District Director
OFCCP, Minneapolis District Office
Midwest Region

DATE:

3/13/17

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

BRADLEY A. ANDERSON
Regional Director OFCCP
Midwest Region

DATE:

03/20/2017

**ATTACHMENT 1
NOTICE TO AFFECTED CLASS**

Dear [NAME]:

Land O'Lakes, Inc. ("Land O' Lakes") 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 Land O'Lakes's, Minnesota facility. OFCCP's analysis showed that since May 29, 2009, Land O' Lakes has paid female Livestock Production Specialists significantly less per year than males. Land O' Lakes has not admitted to any violation of E.O. 11246 and there has not been any adjudicated finding that Land O' Lakes violated any laws. OFCCP and Land O' Lakes entered into the Agreement to resolve the matter without resorting to further legal proceedings.

You have been identified as one of the individuals who worked as a Livestock Production Specialist. Under the Agreement, you may be eligible to receive a payment representing a pro rata share of back pay and interest (less deductions required by law). Under the terms of the Agreement it may take up to nine months from the date of this letter before you receive your payment. In order to be eligible for a payment, you must complete, sign, and return enclosed Information Verification Form, Release of Claims, and a Form W-4 [or any other paperwork required for Land O' Lakes to make the required payment and calculate and withhold taxes]. These forms should be mailed as soon as possible; They *must* be postmarked to the address below no later than 30 days after the date this Notice was mailed out (postmarked) for you to be entitled to participate in this settlement:

(NAME) (POSITION)
Land O' Lakes, Inc.
(ADDRESS)

You may use the enclosed postage-paid return envelope to return the completed and signed Information Verification Form, Release of Claims, and a Form W-4 [or any other paperwork required for Land O' Lakes to make the required payment and calculate and withhold taxes].

If you have any questions you may call [NAME] at Land O' Lakes at [PHONE NUMBER], or OFCCP Compliance Officer (b) (6), (b) (7)(C) at (612) (b) (6), (b) (7)(C). Your call will be returned as soon as possible.

Conciliation Agreement
Land O' Lakes, Inc.
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**IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO
LAND O' LAKES WITHIN 30 DAYS OF THE DATE THE ENVELOPE CONTAINING
THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO
RECEIVE A PAYMENT.**

Sincerely,

(NAME)

Enclosures:

Information Verification Form
Release of Claims

**ATTACHMENT 2
INFORMATION VERIFICATION FORM**

You must complete this form, the Release of Claims, and a Form W-4 [or any other paperwork required for Land O' Lakes to make the required payment and calculate and withhold taxes] in order to be eligible for the monetary payment under the terms of the Conciliation Agreement ("Agreement") between Land O' Lakes, Inc. ("Land O' Lakes") and the Department of Labor's Office of Federal Contract Compliance Programs. Please print legibly, except for the signature.

Name: _____

Address: _____

Telephone Nos.: Home _____ Cell _____ Work _____

Notify Land O' Lakes at the address below if your address or phone number changes within the next twelve months.

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

For purposes of this settlement, it is necessary to verify your sex:

Male Female

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS BELOW WITHIN 30 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

(NAME)

(ADDRESS)

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

Signature

Date

ATTACHMENT 3
RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for Land O' Lakes, Inc. ("Land O'Lakes") paying you money, you agree that you will not file any lawsuit against Land O' Lakes for allegedly violating Executive Order 11246 in its compensation of Female Livestock Production Specialists. It also says that Land O' Lakes 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 a pro rata share of back pay and interest (less deductions required by law) by Land O' Lakes to me, which I agree is acceptable, I agree to the following:

I.

I hereby waive, release and forever discharge Land O' Lakes, 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 compensation as a Livestock Production Specialist on the basis of my sex at any time prior to the date of my signature on this Release.

II.

I understand that Land O' Lakes denies that it treated me unlawfully or unfairly in any way and that Land O' Lakes 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 August 19, 2009. I further agree that the payment of the aforesaid sum by Land O' Lakes to me is not to be construed as an admission of any liability by Land O' Lakes.

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 Land O' Lakes within 30 days of the date the envelope containing this release was postmarked, I will not be entitled to receive any payment (less deductions required by law) from Land O' Lakes.

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature

Date: _____

Printed Name

ATTACHMENT 4
CLASS MEMBER LIST

Employee No.	Current Employee	Name	Last Known Address			
			Street	City	State	Zip
(b) (6), (b) (7)(C)	Yes	(b) (6), (b) (7)(C)	(b) (6), (b) (7)(C)	(b) (6), (b) (7)(C)		
	Yes					
	No					
	No					
	Yes					
	No					
	No					
	No					
	No					
	No					
	No					
	No					
	No					
	Yes					

ATTACHMENT 5

Within sixty (60) days of the Effective Date of this Agreement, Land O' Lakes will conduct a regression analysis of compensation for Livestock Production Specialists as required by Parts III.I.C(4) and D(5) of the Agreement for Livestock Production Specialist employed by Land O' Lakes on December 31, 2016.

The regression equation will analyze total compensation (base plus non-base wages) using, months in the job, other months at Land O' Lakes, sex and state as the controls.

For purposes of this analysis:

- Months in Job means the number of months worked as an LPS as of 12/31/16.
- Years of Service means years of service with Land O' Lakes as of 12/31/16.
- State means the state in which the individual is employed as of 12/31/16.

If the analysis results in a statistically significant disparity (t-statistic) of (b) (7)(E) or more, adverse to females, Land O' Lakes will adjust female compensation in an amount equal to the difference in compensation that is attributable to sex as indicated by the regression model (i.e., the coefficient associated with sex).

