

**Conciliation Agreement**  
**Between the United States Department of Labor**  
**Office of Federal Contract Compliance Programs**  
**And**  
**VF Imagewear, Inc.**  
**545 Marriott Drive**  
**Nashville, Tennessee 37214**

**PART I: General Provisions**

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and VF Imagewear, Inc. (hereinafter VF Imagewear).
2. The violation identified in this Agreement was found during a compliance evaluation of the establishment located at 4408 W. Linebaugh Avenue, Tampa, Florida which began on June 6, 2008, and it was specified in a Notice of Violation issued November 9, 2009. OFCCP alleges that VF Imagewear 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 VF Imagewear of any violation of Executive Order 11246, as amended and its implementing regulations.
4. The provisions of this Agreement will become part of VF Imagewear's affirmative action program (AAP). Subject to the performance by VF Imagewear of all promises and representations contained herein and in its AAPs, ~~all named violations in regard to the compliance of VF Imagewear with all OFCCP programs will be deemed resolved.~~ However, VF Imagewear 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. VF Imagewear 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 VF Imagewear's compliance. VF Imagewear shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve VF Imagewear 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. VF Imagewear 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.

**VF Imagewear, Inc.  
Conciliation Agreement**

4212).

8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Regional Director, OFCCP, unless the 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 VF Imagewear has violated any portion of this Agreement during the term of this Agreement, VF Imagewear 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 VF Imagewear 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 VF Imagewear 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 VF Imagewear to sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief.

**PART II: Specific Provisions**

1. **VIOLATION:** Compensation data provided by VF Imagewear for employees in exempt positions as of January 1, 2008 revealed that VF Imagewear provided lower compensation to female and minority employees than to similarly situated male and non-minority employees in the Creative Artist job title. Time in grade time and time in company did not explain the compensation disparity. Accordingly, OFCCP finds that VF Imagewear has discriminated against 12 qualified female and minority employees (hereinafter Class Members) in the Creative Artist job title paid less because of their gender and race than similarly situated male and non-minority employees, in violation of 41 CFR 60-1.4(a)(1).

**REMEDY:** Although VF Imagewear affirms that this disparity in pay was unintentional, VF Imagewear will effect all the provisions of this Remedy.

Within 15 days of the signing of this Agreement by the Regional Director, OFCCP, VF Imagewear will contact the Class Members whose names are listed on Attachment A to this Agreement by "Certified Mail, Return Receipt Requested" using Attachment B, "Notice to Class Members", and Attachment C, "Release of Claims under the Executive Order." Class Members will have 25 calendar days from the date of the post mark of the certified "Notice to Class Members" to mail or send to VF Imagewear the signed "Release of Claims under the Executive Order."

VF Imagewear will attempt to locate the Class Member who is a former employee and whose name appears on Attachment A to this Agreement. VF Imagewear will notify

**VF Imagewear, Inc.  
Conciliation Agreement**

OFCCP, Orlando Area Office, in writing of if it has or has not located the former employee Class Member within 60 days after the signing of this Agreement by the Regional Director, OFCCP. If VF Imagewear has not located the former employee Class Member, OFCCP will attempt to locate that individual. Within 30 days of receiving notification that VF Imagewear has not located the former employee Class Member, OFCCP will provide VF Imagewear with that Class Member's address or with a statement that OFCCP's research was not successful. If OFCCP provides the address, VF Imagewear will have an additional 30 days from receiving the address located by OFCCP to notify the former employee of his status as a Class Member.

VF Imagewear will distribute \$59,142.65 in back pay, \$1,799.48 in interest and \$6,925.23 in back benefits, totaling \$67,867.46. The back pay, interest, and back benefits will be disbursed as indicated on Attachment A to this Agreement and paid in a lump sum, less appropriate legal deductions to each Class Member who executes and returns the "Release of Claims under the Executive Order."

VF Imagewear will complete the process of monetary distribution within 150 days, but no sooner than 45 days, from the date of this Agreement is signed by the Regional Director, OFCCP.

VF Imagewear will adjust the annual salaries of 10 Class Members named on Attachment A to this Agreement in the amounts designated therein no later than January 3, 2010. VF Imagewear will provide a total of \$38,059.84 in salary adjustments.

Within 180 days from the date this Agreement is signed by the Regional Director, OFCCP, VF Imagewear will provide OFCCP with evidence of salary adjustments and/or monetary disbursement to all Class Members by copies of salary change forms, pay slips showing legal deductions and back pay checks issued and cancelled, as indicated in Part III of this Agreement.

VF Imagewear will not retaliate, harass, or engage in any form of reprisal or other adverse action against any Class Member based on or in relation to the terms or provisions of this Remedy.

Within 120 days of the Regional Director's signature on this Agreement, VF Imagewear will provide training on its equal employment opportunity programs for all persons involved in VF Imagewear's compensation processes. VF Imagewear estimates the cost of this training to be \$7,000. VF Imagewear will update this training annually.

VF Imagewear will immediately modify its compensation system for Creative Artists to ensure that this violation ceases. In addition, VF Imagewear will review its compensation system in 90 days, and at least annually thereafter, and revise it, as needed, to ensure that this violation does not recur.

2. **VIOLATION**: VF Imagewear failed to evaluate its compensation system to determine whether there are gender-, race- or ethnicity-based disparities. 41 CFR 60-2.17(b) (3).

**REMEDY**: VF Imagewear will evaluate its compensation system annually to determine whether there are gender-, race- or ethnicity-based disparities and make any equity

**VF Imagewear, Inc.  
Conciliation Agreement**

adjustments indicated by such reviews.

**FUTURE CONDUCT:** VF Imagewear will not repeat the above violation.

**PART III: Reporting**

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

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

1. A statement that VF Imagewear has or has not located the Class Member who is a former employee; and
2. If VF Imagewear has not located this person, a documentation of attempts made, including a copy of the addressed envelope containing Attachments B and C returned as undeliverable.

The **second report** shall be due 180 days after the date this Agreement is signed by the Regional Director, OFCCP. The second report shall consist of the following:

1. Copies of personnel forms confirming salary adjustments made no later than January 3, 2010 to all persons designated to receive them on Attachment A to this Agreement;
2. Evidence of back pay monies disbursed to all persons named on Attachment A to this Agreement, including copies of the cancelled checks and pay slips showing the gross amount and legal deductions; and
3. Results of VF Imagewear's review of its compensation system, including findings, additional equity adjustments and back pay, if any.

The **third report** shall be due twelve months after the date this Agreement is signed by the Regional Director, OFCCP. The third report shall consist of the following:

1. Detailed results of VF Imagewear's annual review of its compensation system, including findings, additional equity adjustments and back pay, if any; and
2. Evidence that VF Imagewear has provided training on its equal employment opportunity programs for all persons involved in VF Imagewear's compensation processes.

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

**VF Imagewear, Inc.  
Conciliation Agreement**

**PART IV: Signatures**

The person signing this Conciliation Agreement on behalf of VF Imagewear, Inc. personally warrants that he is fully authorized to do so, that VF Imagewear, Inc. 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 VF Imagewear, Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and VF Imagewear, Inc.

DATE: 11/12/09

**(6), (7)(C)**

**Scott Shoener**  
Vice President, Human Resources  
VF Imagewear, Inc.  
545 Marriott Drive  
Nashville, Tennessee 37214

DATE: 11/16/09

**(6), (7)(C), (7)(E)**

Compliance Officer—Orlando  
Office of Federal Contract  
Compliance Programs

DATE: 11/16/09

**(6), (7)(C)**

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

DATE: 11/18/09

**(6), (7)(C)**

**Ronald W. Bailey**  
District Director—Nashville  
Office of Federal Contract  
Compliance Programs

DATE: 30 NOV 09

**(6), (7)(C)**

**Evelyn Teague**  
Regional Director—Southeast  
Office of Federal Contract  
Compliance Programs

VF Imagewear, Inc.  
Conciliation Agreement

Attachment A

Name	Last Increase Dt	Change Amt	Adj needed	new annual	Total Sal Adj	Backpay	Interest	Total	Benefits
------	------------------	------------	------------	------------	---------------	---------	----------	-------	----------



**NOTICE TO CLASS MEMBER**

*[VF Imagewear Will Here Enter the Name of the Specific Class Member]  
[Date]*

VF Imagewear, Inc. (hereinafter VF Imagewear) and the Department of Labor's Office of Federal Contract Compliance Programs (hereinafter OFCCP) have entered into a Conciliation Agreement to resolve alleged disparities in compensation at VF Imagewear's establishment located at 4408 W. Linebaugh Ave, Tampa, Florida.

As a part of this Agreement, you may be entitled to a monetary payment. This monetary payment will be no less than \$/ *VF Imagewear will here enter the specific amount of backpay, interest and back benefits totaled that the individual Class Member will receive, as shown on Attachment A* and will be reduced by lawful payroll deductions, such as income tax withholding and Social Security contributions. It may take up to five months from the date you receive this letter before you receive your distribution.

To be able to participate in this settlement, you must sign and return the *Release of Claims under the Executive Order* enclosed with this Notice to VF Imagewear at the address below no later than 25 days after this letter's postmark.

**Angela Gannon, Senior Human Resources Manager**  
VF Imagewear, Inc.  
545 Marriott Drive, Suite 200  
Mailing Address: P.O. Box 140995  
Nashville, Tennessee 32714-0995

By entering into this Agreement, VF Imagewear has not admitted, nor has there been any adjudicated finding, that VF Imagewear violated any laws with regard to compensation paid you during your employment by VF Imagewear.

If you have questions, you may call me at 615-882-2290 or (7)(C), (7)(E), Compliance Officer, OFCCP, at (6), (7)(C). If you do not reach either of us immediately, your call will be returned as soon as possible.

Sincerely,

Angela Gannon  
Senior Human Resources Manager

Enclosure: *Release of Claims under the Executive Order*

**RELEASE OF CLAIMS UNDER THE EXECUTIVE ORDER**  
*[VF Imagewear Will Here Enter the Name of the Specific Class Member]*

In consideration of the payment to me of approximately \$*[VF Imagewear will here enter the specific amount of backpay, interest and back benefits totaled that the individual Class Member will receive, as shown on Attachment A]* (less deductions required by law) by VF Imagewear, Inc. (hereinafter VF Imagewear) to me, which I agree is acceptable, and also in consideration of the Conciliation Agreement between VF Imagewear and the Office of Federal Contract Compliance Programs (hereinafter OFCCP), I, \_\_\_\_\_ agree to the following:

I.

I hereby waive, release and forever discharge VF Imagewear, 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 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 employment compensation at any time prior to the effective date of the Release.

II.

I understand that VF Imagewear denies that it has treated me unlawfully or unfairly in any way and that VF Imagewear has entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and cooperation, and to bring closure to the Compliance Evaluation initiated by OFCCP on June 9, 2008. I further agree that the payment of the aforesaid sum by VF Imagewear to me is not to be construed as an admission of wrongdoing or of any liability by VF Imagewear.

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. 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 VF Imagewear at the address shown below by mail or by other delivery method within 25 days from the date of the postmark on my *Notice to Class Members*, I will not be entitled to receive the Payment (less deductions required by law) from VF Imagewear.

**VF Imagewear, Inc.**  
**545 Marriott Drive, Suite 200**  
**Mailing Address: P.O. Box 140995**  
**Nashville, Tennessee 32714-0995**  
**Attention: Angela Gannon, Senior Human Resources Manager**

IN WITNESS WHEREOF, I have set my hand to this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Signature