

Defendant.

The Parties, having received a determination of the Dispute from Fred Alvarez and having conferred further, have now agreed to stipulate and consent to resolve the Dispute by

jointly proposing pursuant to Section VII(A) of the Decree to modify the Decree through entry of this Amendment to and Extension of the Term of the Consent Decree (the “Amendment”).

Through this Amendment, the Parties jointly propose to extend the Term of the Decree as to certain provisions of the Decree, but not others, to avoid the costs and uncertainties of further litigation of the Dispute and to provide adequate time to verify the compliance with the Decree of Sterling’s implementation of a new compensation program (“New Compensation Program”). The Parties therefore do hereby stipulate and consent to the entry of this Amendment as final and binding on the Parties, including Sterling’s successors, assigns, subsidiaries, and any other entity with which Sterling may be merged or consolidated.

II. PURPOSES OF THE AMENDMENT

The Parties have entered into this Amendment for same purposes set forth in Section II of the Decree, and the additional purpose of resolving the Dispute in such a way as to avoid further protracted litigation.

III. DISPUTE BACKGROUND

In 2018, the Parties could not informally resolve the Dispute concerning Sterling’s compliance with Section X(D) of the Decree. Pursuant to the Section X(C) of the Decree, the independent Employment Practices Expert, Dr. Nancy Tippins, issued a report on February 16, 2018 summarizing evaluations, recommendations, and new processes or process enhancements that she has made or conducted pursuant to the Decree. Thereafter, on April 17, 2018 Sterling and Dr. Tippins reported to the EEOC which recommendations from her report Sterling accepted, which recommendations it rejected in favor of alternatives approved by the Employment Practices Expert, and which recommendations it rejected despite the lack of an alternative approved by the Employment Practices Expert. The April 17, 2018 report noted

Recommendation 7-12 pertaining to merit pay as “[Deleted],” citing as its “legitimate business justification,” “Sterling’s business decision to sunset the Wage Rate Generator in favor of an updated compensation program.” The EEOC alleged that Sterling failed to comply with Section X of the Decree by failing to demonstrate to the EEOC a legitimate business justification for rejecting Recommendation 7-12 and failing to provide a less burdensome alternative that would have no greater adverse impact on its Female Retail Sales Employees than implementing Recommendation 7-12. Sterling denied the allegations.

On February 7, 2019, the Dispute was submitted for adjudication to Fred Alvarez, the Parties’ mutually agreed upon replacement for Hunter Hughes, pursuant to Section XVII(E) of the Decree. On June 19, 2019, Mr. Alvarez issued his Statement of Decision (the “Alvarez Decision”), concluding:

It is my finding that, . . . as of the date this matter was submitted to adjudication, Sterling has not demonstrated that merit increases under its new compensation system would have no greater adverse impact on its Female Retail Sales Employees than adopting Recommendation 7-12, which Sterling is required to do under Section X(D) of the Consent Decree. Sterling has not, but still could, meet this requirement. Because the Consent Decree does not give me the authority to grant the relief requested, EEOC will need to seek the relief it deems appropriate based on my determination, either directly with Sterling, or from the District Court.

Thus, the EEOC sought relief directly with Sterling, and the Parties, having conferred further, have agreed to stipulate and consent to entry of this Amendment to extend the Term of the Decree for fifteen months with respect to certain provisions of the Decree and the provisions of this Amendment to verify that Sterling’s enactment, maintenance and implementation of the New Compensation Program complies with the Decree and this Amendment, and to avoid the costs and uncertainties of further litigation of the Dispute.

IV. JURISDICTION AND VENUE

A. This Court has jurisdiction over the Parties and subject matter of this Litigation and the Dispute. Venue is proper in this District. This Court has jurisdiction to implement and enforce the Decree and this Amendment.

B. The Court will retain jurisdiction over this Litigation for the duration of the Decree and this Amendment for the purposes of entering of all orders, judgments and decrees that may be necessary to implement the relief provided in the Decree and this Amendment.

C. A material breach of any term of the Decree or this Amendment by Sterling or the EEOC will be subject to Section XVII of the Decree, Dispute Resolution And Procedures For Enforcement Or Relief.

D. The Parties will not contest the validity of the Decree or this Amendment, or the jurisdiction of the Court to enforce the Decree or this Amendment and its terms.

V. TERM OF THE DECREE

A. All provisions of this Amendment are effective immediately upon the date of entry of the Amendment by the Court (“Amendment Effective Date”). The Term of the Decree of three years and three months previously set forth in Section V(A) of the Decree (the “Original Term”) is hereby extended by fifteen (15) months. Thus, the Decree and this Amendment, other than those provisions of the Decree expressly excepted from extension under this Amendment, will remain in effect for a period of four (4) years and six (6) months following the Effective Date of the Decree, ending November 4, 2021 (the “Term of the Decree”), unless otherwise modified by the Parties or extended by further Order of the Court. Provisions of the Decree expressly excepted from extension under this Amendment shall expire at the end of the Original

Term (August 4, 2020) without further action by the Parties or of the Court, unless such provisions are otherwise modified by the Parties or extended by further Order of the Court.

B. If, at the end of the Original Term or the Term of the Decree set forth in Section V(A), as applicable, any material dispute about implementation of or compliance with any then operative provisions of the Decree or this Amendment remains unresolved, the applicable Term may be extended by Court order upon an appropriate showing of the need for extension to resolve any material dispute. The Court will retain jurisdiction of this matter solely for the purpose to enforce the Decree, until such time as all such disputes have been resolved.

C. During the Term of the Decree set forth in Section V(A), this Litigation will be administratively closed but will not be dismissed.

D. The Decree and this Amendment will expire at the end of the Term set forth in Section V(A), without further action by the Parties or the Court, unless the Term has been extended pursuant to this Section or by other order of the Court.

VI. RESOLUTION OF THE DISPUTE

A. Section VI of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

B. This Amendment shall resolve the Dispute and fully satisfy any right to relief or remedy the EEOC has arising from the Alvarez Decision.

VII. MODIFICATION AND SEVERABILITY

Section VII of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

VIII. GENERAL INJUNCTIVE PROVISIONS

Section VIII of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force, except that the provisions not concerning Sterling's compensation policies, practices and procedures will expire by their own terms at the end of the Original Term, without further action by the Parties or the Court, unless those provisions are hereafter extended pursuant to Sections V(B), V(D) or VII(A) of the Decree or by other order of the Court.

IX. RETENTION OF MANAGEMENT DISCRETION

Section IX of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force. The references in Section IX of the Decree to "compensation . . . systems" shall apply to the New Compensation Program with equal force.

X. EMPLOYMENT PRACTICES EXPERT

Sterling will continue retain Dr. Nancy Tippins, an expert in Industrial-Organizational Psychology to function as an independent Employment Practices Expert who will perform the functions set forth in Section X of the Decree and of this Amendment.

A. Duties Of The Employment Practices Expert

The Employment Practices Expert's duties will remain as set forth in Section X(A) of the Decree, except that Subsections X(A)(1), (2), (7), (8), and (9) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless those provisions are hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court. The references in Section X of the Decree to "factors, procedures and systems used to set starting pay and merit pay," "compensation . . . systems," "policies, practices, procedures or tools, including the Wage Rate Generator in its current or future form ('Starting Wage Tool'), for setting starting wages," "procedures that will enable Sterling to monitor the compensation of

Sales Associates and Jared Jewelry Consultants, or their equivalent,” and “the compensation of female and male Retail Sales employees,” shall apply to the New Compensation Program with equal force.

B. Access To Information

This Section X(B) replaces Section X(B) of the Decree. Consistent with the procedures set forth in Section XIII of the Decree and Section XIII of this Amendment, Sterling shall provide the Employment Practices Expert with reasonable access to information, data, proprietary system data and reports, and Sterling personnel necessary to perform her duties under this Amendment. Sterling shall provide this access through the Compliance Officer appointed by Sterling pursuant to Section XIII of the Decree, and by no other means, except in instances when practicality necessitates that it is provided through an alternative officer, employee, agent, or representative. Sterling shall ensure that the EEOC is copied on all such communications or is provided access to a copy promptly thereafter. The Parties shall cooperate in facilitating and attending any telephone conference or meeting the EEOC, Sterling or the Employment Practices Expert request to enable the Parties and the Employment Practices Expert to confer on matters subject to the Consent Decree and Amendment, including current and new work, evaluation of what analyses provided for under Sections X and XI of the Consent Decree and this Amendment shall be conducted by Dr. Tippins going forward, and evaluation and implementation of any reasonable alternatives to such analyses by Dr. Tippins as will serve the objectives of the Consent Decree; which shall include a minimum of one standing telephone conference per month through the duration of the Term of the Decree. The references in Section X of the Decree to “information, data, proprietary system data and reports” shall apply to the New Compensation Program with equal force.

C. Written Reports By Employment Practices Expert

Section X(C) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

D. Distribution And Treatment Of Evaluations, Recommendations, And Reports

Section X(D) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

E. Compensation Of Employment Practices Expert

Section X(E) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

XI. EQUAL EMPLOYMENT PROCEDURES FOR COMPENSATION

A. Job Descriptions For Retail Sales Positions

Sections XI(A) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court.

B. Analyses Regarding Compensation

Section XI(B) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force. The references in Section XI(B) of the Decree to “Sterling’s criteria for setting and adjusting starting rate of pay and merit pay,” “starting rate of pay and merit pay” factors, procedures and systems used to set starting pay and merit pay,” and “the compensation of female and male Retail Sales Employees” shall apply to the New Compensation Program with equal force.

XII. EQUAL EMPLOYMENT PROCEDURES FOR PROMOTIONS

Sections XII of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court.

XIII. COMPLIANCE OFFICER

Sterling will maintain the appointment of a Compliance Officer at the level of Vice President or above in Sterling's Compliance function, who will be charged with overseeing Sterling's implementation of and compliance with this Amendment and the Decree, and who will have demonstrable experience in areas relating to human resources, compliance with employment laws, or other fields related to the subject matters of this Amendment and the Decree. The Compliance Officer's duties will remain as set forth in Section XIII of the Decree, except that Subsections XIII(A), (B), (C), (F), (G) and (H) of the Decree will expire at the end of the Original Term, unless those provisions are hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court. The references in Section XIII of the Decree to "the Starting Wage Tool," "records," and "data, proprietary database reports, documents and any other sources of information—such as data from the Starting Wage Tool" shall apply to the New Compensation Program with equal force.

XIV. TRAINING

A. Training For The Compliance Officer

Within sixty (60) days from the Amendment Effective Date, Sterling will provide its current Compliance Officer one hour of in-person or video conference training addressing the provisions of this Amendment. Section XIV(A) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force with respect to training for any new

Compliance Officer appointed; provided that in addition to the training set forth in Section XIV(A) of the Decree, any successor Compliance Officer also shall receive the one hour training addressing the provisions of this Amendment described herein. The references in Section XIV(A) of the Decree to “compensation” and “Sterling’s starting pay [and] merit pay . . . policies and procedures” shall apply to the New Compensation Program with equal force.

B. Training For Human Resources Staff And Employees In Management Positions

Section XIV(B) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court; provided, however, that training pursuant to this Section XIV(B) will include Sterling’s obligations under the Decree and this Amendment. Furthermore, the annual training conducted in 2020 pursuant to Section XIV(B) shall be conducted after enactment of the New Compensation Program and within the Decree Term or on such other date as the EEOC and Sterling shall agree, and it will include Sterling’s obligations under the Decree and this Amendment with respect to the New Compensation Program. The reference in Section XIV(B) of the Decree to “compensation” shall apply to the New Compensation Program with equal force.

C. Training For Retail Sales Employees

Section XIV(C) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court; provided, however, that training pursuant to this Section XIV(C) will include Sterling’s obligations under the Decree and this Amendment.

D. Additional Training For Certain Human Resources Staff And Employees In Management Positions

Section XIV(D) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court.

E. Training Provider

Section XIV(E) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

F. Training Records

Section XIV(F) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

XV. INTERNAL PROCEDURES FOR IMPLEMENTING EQUAL EMPLOYMENT PRACTICES

Section XV of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court.

XVI. RECORD-KEEPING, REPORTING, AND MONITORING OF COMPLIANCE

A. Records To Be Retained For Entire Term Of Decree

Sections XVI(A)(2), (3), (5), (8), (9) and (10) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court. Sections XVI(A)(1), (4), (6), (7), (11) and (12) of the Decree are incorporated herein and applies to the provisions of this Amendment with equal force. The references in Section XVI(A) of the Decree to “Starting Wage Tool data,” “pay-setting inputs and outputs,” “[a]pplicant information for the

positions of Sales Associate and Jared Jewelry Consultant, or their equivalent, including but not limited to electronic records of such applications,” “criteria for the determination or adjustment of compensation,” and “user’s guides, data dictionaries, and metadata related to all information technology systems” shall apply to the New Compensation Program with equal force. In addition, Sterling will also retain the following categories of records for no less than the entire Term of the Decree:

13. New Compensation Program data for Sales Associate and Jared Jewelry Consultant positions, or their equivalent, including but not limited to all pay-setting inputs and outputs for applicants and new hires;
14. Documentation of the inputs into the New Compensation Program for new hires into the positions of Sales Associate and Jared Jewelry Consultant, or their equivalent; and
15. All user’s guides, data dictionaries, and metadata related to all information technology systems used to administer the New Compensation Program and any portion of this Amendment.

B. Materials And Data To Be Provided To The EEOC Upon Request

Section XVI(B) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force. In addition, Sterling will provide the EEOC with access, upon request to Sterling’s Compliance Officer, to any database that is created and/or maintained that contains pay data under the New Compensation Program, and to all statistical and other analyses of gender-based pay differences under the New Compensation Program that were not prepared in anticipation of other legal proceedings, including litigation or trial.

C. Materials And Data To Be Provided To The EEOC Automatically

Section XVI(C) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force. The reference in Section XVI(C) of the Decree to “criteria for setting and adjusting compensation” shall apply to the New Compensation Program with equal force. In addition, Sterling will provide the following to the EEOC without any request reports prepared by or for Sterling and/or its officers, employees or consultants reflecting statistical and/or other analysis(es) of gender-based pay differences under the New Compensation Program that were not prepared in anticipation of other legal proceedings, including litigation or trial. All such information, documentation, and data are Confidential Information pursuant to the Confidentiality Order entered in the Litigation, Docket No. 206. The EEOC will strictly maintain the confidentiality of all such information, documentation, and data.

D. Reporting

Section XVI(D) of the Decree will expire at the end of the Original Term, without further action by the Parties or the Court, unless hereafter extended pursuant to Section V(B), V(D) or VII(A) of the Decree or by other order of the Court.

E. Access To Employment Practices Expert By The EEOC

This Section XVI(E) replaces Section XVI(E) of the Decree. On a reasonable basis, the EEOC may confer with the Employment Practices Expert, about any matter within the scope of her duties under the Decree or this Amendment; whether written, oral, or in person, so long as such contact is made in good faith and for a legitimate purpose under the Decree or this Amendment. The EEOC shall ensure that counsel of Record for Sterling is copied on all communications with the Employment Practices Expert or is provided access to a copy promptly thereafter. The Parties shall cooperate in facilitating and attending any telephone conference or

meeting the EEOC, Sterling or the Employment Practices Expert request to enable the Parties and the Employment Practices Expert to confer on matters subject to the Consent Decree and Amendment, including current and new work; which shall include a minimum of one standing telephone conference per month through the duration of the Term of the Decree. Sterling will bear the reasonable cost for the time of the Employment Practices Expert for such conferences.

XVII. DISPUTE RESOLUTION AND PROCEDURES FOR ENFORCEMENT OR RELIEF

- A. Section XVII(A) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.
- B. Section XVII(B) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.
- C. Section XVII(C) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.
- D. Section XVII(D) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.
- E. **This Section XVII(E) replaces Section XVII(E) of the Decree.** In the event the Parties cannot informally resolve such a dispute, within forty-five days (45), the Parties submit the dispute to Fred Alvarez who shall adjudicate the dispute. If Fred Alvarez is unavailable or unwilling to hear the dispute, the Parties will select a mutually agreed upon replacement. If the Parties cannot agree on a replacement, the Honorable Richard J. Arcara of the United States District Court for the Western District of New York, or any other Judge to whom the above-captioned case may subsequently be assigned, will facilitate the selection of a replacement from proposed submissions presented by the parties.

F. Sterling shall be solely responsible for bearing the fees of Fred Alvarez or any replacement for Fred Alvarez. Any party that disagrees with Fred Alvarez's (or his replacement's) decision may appeal it to the District Court, which shall review such determination under an abuse of discretion standard.

G. Section XVII(G) of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

XVIII. POSTING OF NOTICE

Sterling will continue to post in conspicuous places where employee notices are posted in each of its retail stores (and in any new stores), the Notice attached to the Decree as Exhibit "A" for the entire Term of the Decree, as extended by this Amendment. In addition, the Notice will continue to be made available on the Registry website for the for the entire Term of the Decree, as extended by this Amendment, and a link to the Notice entitled "Notice to All Retail Sales Employees Re: Resolution of Discrimination Lawsuit" will appear on the Registry interface for the entire Term of the Decree, as extended by this Amendment.

XIX. ATTORNEYS' FEES, COSTS, EXPENSES AND NOTICES

Section XIX of the Decree is incorporated herein and applies to the provisions of this Amendment with equal force.

Dated: March 6, 2020

**EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION**

Sharon Fast Gustafson
General Counsel

By: Jeffrey Burstein
Jeffrey Burstein
Regional Attorney
jeffrey.burstein@eeoc.gov
Sebastian Riccardi
sebastian.riccardi@eeoc.gov
Trial Attorney
U.S. Equal Employment Opportunity
Commission
New York District Office
33 Whitehall Street, 5th Floor
New York, NY 10004-2112

Amos Blackman
amos.blackman@eeoc.gov
Trial Attorney
U.S. Equal Employment Opportunity
Commission
Seattle Field Office
909 First Avenue, Suite 400
Seattle, WA 98104

STERLING JEWELERS, INC.

By: [Signature]
Stash Ptak, General Counsel & Senior Vice
President – Legal, Compliance and Risk
Stash.Ptak@signetjewelers.com
Sterling Jewelers, Inc.
375 Ghent Road
Akron, Ohio 44333

and

By: Gerald L. Maatman, Jr.
SEYFARTH SHAW LLP
Gerald L. Maatman, Jr.
gmaatman@seyfarth.com
David Bennet Ross
dross@seyfarth.com
620 Eighth Avenue, 32nd Floor
New York, New York 10018-1405
Telephone: (212) 218-5500
Facsimile: (212) 218-5526

SO ORDERED, ADJUDGED, AND DECREED this 10th day of March, 2020

Richard J. Arcara
United States District Judge Richard J. Arcara