

AFFIRMATIVE ACTION PROGRAMS
For Minorities, Women, and Disabled Individuals

Power-io, Inc.

January 1, 2008 - Dec 31, 2008

DESCRIPTION OF ORGANIZATION

Power-io, Inc. manufactures or sells electrical products.

DEFINITIONS OF TERMS USED IN THIS AAP

Individual with a Disability: any person who has a physical, sensory, or mental impairment which “materially” (Illinois) or “substantially” (Federal) limits one or more major life activity or has a record of or is regarded as having such an impairment. "Individual with a Disability" does not include an alcohol or drug abuser whose current use of alcohol or drugs renders that individual a direct threat to property or to the safety of others.

American Indian or Alaska Native - a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Asian - A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American - A person having origins in any of the black racial groups of Africa.

Hispanic or Latino - A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Native Hawaiian or Other Pacific Islander - A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White - A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Minority – Any person who identifies as being American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, or in any combination of these identifiers, or someone who identifies as White and as any of the other identifiers.

Job Groups: Although companies are not limited to using these broad job groups as the only means of analyzing their workforce, we use the following as guidelines:

Managers and Administrators: Occupations requiring administrative personnel who set broad policies, exercise overall responsibility for execution of these policies, and direct

individual departments or special phases of an organization's operations. Includes: officials, executives, middle management, plant managers, department managers, superintendents, salaried supervisors who are members of management, purchasing agents and buyers. First line supervisors, unless specifically listed under officials and managers or craft (skilled), who engage in the same activities as the employees they supervise should be reported in the same job category.

Professionals and Technicians: Professionals are considered to be persons working in occupations requiring either college graduation or experience of such kind and amount as to provide a comparable background. Technicians are those whose work requires a combination of basic scientific knowledge and manual skills which can be obtained through about two years of post high school education, such as is offered in many technical schools and community colleges, or through equivalent on-the-job training.

Sales Workers: Occupations engaged wholly or primarily in direct selling. Includes: advertising agents and sales agents, insurance agents and brokers, real estate agents and brokers, sales agents and sales clerks, grocery clerks, cashiers/checkers.

Office and Clerical: All clerical work regardless of the level of difficulty, where the activities are predominantly non-manual, though some manual work not directly involved with altering or transporting the products is included. Includes: bookkeepers, collectors, messengers, office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, secretaries, and telephone operators.

Skilled Crafts: Manual workers of a relatively high skill level, having a thorough and comprehensive knowledge of the process involved in their work. They exercise considerable independent judgment and usually receive an extensive period of training. Includes: building trades, hourly paid foremen and lead-workers who are not members of management, mechanics and repairmen, skilled machinery occupations, electricians. Exclude learners and helpers of craft workers (apprentices).

Operatives: (Semi-skilled): Workers who operate machines or processing equipment or perform other factory-type duties of an intermediate skill level which can be mastered in a few weeks and requires only limited training. Includes: apprentices, operatives, attendants, delivery and route drivers, truck and tractor drivers, dressmakers, weavers, welders. Include craft apprentices in such fields as auto mechanics, printing, metalwork, carpentry, plumbing and other building trades.

Laborers: (Unskilled): Workers in manual occupations which generally require no special training. They perform elementary duties which may be learned in a few days and which require the application of little or no independent judgment. Includes: garage laborers, car washers, gardeners, lumber workers, laborers performing lifting, digging, mixing and loading.

Service Workers: Workers in both protective and nonprotective service occupations. Includes: attendants, clean-up workers, janitors, guards, police, fire fighters, waiters and waitresses.

Underutilization: The Illinois Department of Human Rights defines underutilization as being present in a job group if the number of women or minorities in a job group is less than what would be expected based on the availability percentage we have adopted for this analysis. We use a "whole person rule," so that any fractional underutilization is rounded down to the nearest whole number. Declaration of underutilization does not

indicate that discrimination has occurred in a company; rather it is a term used within this plan document to enable our company to apply good faith efforts to ensure equal opportunity.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

This is to affirm Power-lo, Inc. policy of providing Equal Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity/Affirmative Action laws, directives and regulations of Federal, State and Local governing bodies or agencies thereof.

Our organization will not discriminate against or harass any employee or applicant for employment because of race, color, creed, religion, national origin, sex, sexual orientation, disability, age, marital status, membership or activity in a local human rights commission, or status with regard to public assistance.

We will take Affirmative Action to ensure that all employment practices are free of such discrimination. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, selection, layoff, disciplinary action, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. We will provide reasonable accommodation to applicants and employees with disabilities.

Power-lo, Inc. will evaluate the performance of its management and supervisory personnel on the basis of their involvement in achieving these Affirmative Action objectives as well as other established criteria. In addition, all other employees are expected to perform their job responsibilities in a manner that supports equal employment opportunity for all.

I have appointed myself to manage the Equal Employment Opportunity Program. This person's responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of this Affirmative Action Program, as required by Federal, State and Local agencies. I will receive and review reports on the progress of the program. Any employee or applicant may inspect our Affirmative Action Program during normal business hours by contacting the EEO Coordinator.

If any employee or applicant for employment believes he or she has been treated in a way that violates this policy, they should contact either any other representative of management, including me. Responsible parties will investigate allegations of discrimination or harassment as confidentially and promptly as possible, and we will take appropriate action in response to these investigations.

John Walsh

1/1/2008

ASSIGNMENT OF RESPONSIBILITY FOR AFFIRMATIVE ACTION PROGRAM

John Walsh is designated as EEO/AA coordinator to monitor all employment activity to ensure that our EEO/AA policies are being carried out. The EEO/AA coordinator will be given the necessary top management support and staffing to fulfill the duties of the position. Those duties include, but are not limited to, the following:

1. Develop our EEO/AA policy statement and Affirmative Action Plan/Program, so that it is consistent with our policies, and so that it establishes our affirmative action goals and objectives.
2. Implement the Affirmative Action Plan/Program including internal and external dissemination of our EEO/AA policies and plan.
3. Conduct and/or coordinate EEO/AA training and orientation.
4. Ensure that our managers and supervisors understand it is their responsibility to take action to prevent the harassment of employees and applicants for employment.
5. Ensure that all minority, female, and disabled employees are provided equal opportunity as it relates to organization-sponsored training programs, recreational/social activities, benefit plans, pay and other working conditions.
6. Implement and maintain EEO audit, reporting, and record-keeping systems in order to measure the effectiveness of our Affirmative Action Plan/Program and to determine whether our goals and objectives have been attained.
7. Coordinate the implementation of necessary affirmative action to meet compliance requirements and goals.
8. Serve as liaison between our organization and relevant governmental enforcement agencies.
9. Coordinate the recruitment and employment of women, minorities, and people with disabilities, and coordinate the recruitment and utilization of businesses owned by women, minorities, and people with disabilities.
10. Coordinate employee and company support of community action programs that may lead to the full employment of women, minorities, and people with disabilities.
11. Receive, investigate, and attempt to resolve all EEO complaints.
12. Keep management informed of the latest developments in the area of EEO.

DISSEMINATION OF AFFIRMATIVE ACTION POLICY AND PLAN

A. Internal Dissemination

1. Our policy statement and non-discrimination posters will be permanently posted and conspicuously displayed in areas available to employees and applicants for employment
2. Our EEO/AA policy statement will be communicated to our employees in the same manner that other major personnel policies or decisions are communicated.
3. Our EEO/AA policies will be included in our policy manual or employee handbook and in any collective bargaining agreements.
4. Our policy will be made available to all employees including part-time, temporary or seasonal employees.
5. We will review our EEO/AA policies at least once a year with all of our employees and management.

B. External Dissemination

1. As needed, we will notify all subcontractors, vendors, and suppliers of our EEO/AA policy and project goals, requiring supportive action on their part.
2. We will notify all recruitment sources, employment agencies, and labor unions of our EEO/AA policies, and we will encourage them to assist us in achieving our affirmative action objectives by actively recruiting and referring women, minorities, and people with disabilities.
3. We will include the statement "Equal Opportunity Employer" or "Affirmative Action Employer" on advertisements recruiting employees, on employment applications, and on our company's website, if we post job opportunities on our website.

INTERNAL AUDIT AND REPORTING SYSTEMS

Our EEO Coordinator has the responsibility for implementing and monitoring our affirmative action programs. Department heads, managers, and supervisors are responsible for providing the EEO Coordinator with information and/or statistical data as necessary to measure our good faith efforts to implement our programs.

At least annually, internal audit reports will be prepared in table format and dated. Data collected for these reports will include applicant flow, new hires, promotions, transfers, and terminations (voluntary and involuntary) by job group. Figures for each personnel process must show a breakdown by sex, minority classification, and disability status. Reports will be disseminated to appropriate levels of management, and any problem areas will be addressed as promptly as possible.

External reports will be submitted to government agencies, like the Illinois Department of Human Rights, as required.

WORKFORCE ANALYSIS

AVAILABILITY/UTILIZATION/UNDERUTILIZATION ANALYSIS

GOALS AND TIMETABLES

We will make a good faith effort to meet construction goals as described by government agencies, whether we are a prime or subcontractor.

PROBLEM AREA IDENTIFICATION

Power-lo, Inc. periodically conducts an in-depth analysis of its total employment process to determine whether and where impediments to equal employment opportunity may exist. We evaluated:

1. Workforce composition by job group: We have identified no underutilization of women or minorities in our current workforce. We will continue to monitor our workforce composition to ensure that no problems arise.
2. Personnel activity: We routinely conduct adverse impact analyses using the "Eighty Percent Test" or other statistical methods to analyze our personnel activities, including applicant flow, hires, promotions, terminations and other personnel actions, to determine if there are selection disparities between men and women, minorities and nonminorities (and within specific racial groups, if appropriate), or disabled and nondisabled applicants or employees. If any tests are used as a part of our selection process, we have determined that these tests are job-related and are validated. We have taken corrective action to remove any barriers to hiring or retaining women, people of color, or people with disabilities.
3. Compensation system: We routinely review our compensation system, including rates of pay and bonuses, to determine whether there are gender, race, ethnicity, or disability-based disparities. If any disparities are identified, we take prompt action to resolve the disparity. In offering employment to individuals with disabilities, we will not reduce the amount of compensation offered because of any disability income, pension, or other benefit the applicant or employee receives from another source.
4. Personnel procedures: We routinely review all of our personnel procedures and processes, including selection, recruitment, referral, transfers and promotions, seniority provisions and apprenticeship programs (if applicable), and company-sponsored training programs or other activities to determine if all employees or applicants are fairly considered.
5. Any other areas that might impact the success of our Affirmative Action Program: We continually analyze any other areas that may impact our success, such as accessibility of our facility to the available workforce, the attitude of our current

workforce towards EEO, proper posting of our EEO policy and required governmental posters, proper notification of our subcontractors or vendors, and retention of records in accordance with applicable law. We take prompt action to remedy any problems in these areas through training of staff or other methods.

ACTION-ORIENTED PROGRAMS:

Measures To Facilitate Implementation of Equal Employment Opportunity Policy and Affirmative Action Programs for Women, Minorities, and People with Disabilities

Selection Process

We will evaluate our selection process using an adverse impact analysis to determine if our requirements screen out a disproportionate number of minorities, women, or people with disabilities. All personnel involved in the recruitment, screening, selection, promotion, disciplinary, and related processes will be carefully selected and trained to ensure that there is a commitment to the affirmative action program and its implementation.

Schedule for Review of Job Requirements: We will annually review all physical and mental job requirements to ensure that these requirements do not tend to screen out qualified individuals with disabilities. We will determine whether these requirements are job-related and are consistent with business necessity and the safe performance of the job, and we will remove any physical or mental requirements that do not meet these criteria. Any job descriptions or requirements changed after review will be distributed to all relevant employees, particularly those involved in the selection process and supervision of employees.

Pre-Employment Medical Examination: If we require medical examinations or inquiries as a part of our selection process, all exams or inquiries will be conducted after a conditional offer of employment. Only job-related medical examinations and inquiries will be conducted, and the results of these examinations or inquiries will not be used to screen out qualified individuals with disabilities. Information obtained in response to such inquiries or examinations will be kept confidential except that (a) supervisors and managers may be informed regarding restrictions on the work or duties of individuals with disabilities and regarding accommodations, (b) first aid and safety personnel may be informed, where and to the extent appropriate, if the condition might require emergency treatment, and (c) officials, employees, representatives, or agents of the MN Department of Human Rights or local human rights agencies investigating compliance with the act or local human rights ordinances will be informed if they request such information.

Accommodations to Physical and Mental Limitations of Employees

We will make reasonable accommodations to the physical and mental limitations of an employee or applicant unless such an accommodation would impose an undue hardship on the conduct of the business.

Recruitment of Employees

1. All solicitation or advertisements for employees will state that applicants will receive consideration for employment regardless of their race, color, creed, religion, national origin, sex, sexual orientation, disability, age, marital status, or status with regard to public assistance. When needed, to help address underutilization, help wanted advertising will also be placed in news media oriented towards women or minorities. Copies of advertisements for employees will be kept on file for review by enforcement agencies.
2. When we place help-wanted advertisements, we will not indicate a preference, limitation, or specification based on sex, age, national origin, or other protected characteristic, unless that characteristic is a bona fide occupational qualification for a particular job. We will not allow any employment agency with which we work to express any such limitation on our behalf, and we will require that these agencies share our commitment to EEO.
3. All positions for which we post or advertise externally will be listed with State of Minnesota Workforce Centers, America's Job Bank, or similar governmental agencies.
4. As necessary to ensure that potential candidates are aware of job openings, we will contact community organizations focused on the employment of women, minorities, and people with disabilities (including state vocational rehabilitation agencies or facilities, sheltered workshops, college placement offices, education agencies, or labor organizations). We will keep documentation of all contacts made and responses received, whether formal or informal. We will make every effort to give these agencies a reasonable amount of time to locate and refer applicants.
5. We will carry out active recruiting programs at relevant technical schools and colleges, where applicable.
6. We will encourage present minority, female, and disabled employees to recruit other employees.
7. *Consideration of minorities and women not currently in the workforce:* We will take additional steps to encourage the employment of women, minorities, and people with disabilities who are not currently in the workforce, such as providing part-time employment, internships, or summer employment.

Training Programs

Minority, female, and disabled employees will be afforded a full opportunity and will be

encouraged to participate in all organization sponsored educational and training programs.

We will seek the inclusion of qualified minority, female, and disabled employees in any apprenticeship program in which we participate.

Promotion Process

Our promotion process has been developed and documented and only legitimate qualifications are considered in our promotion decisions. We conduct adverse impact analyses to ensure that women, minorities, and employees with disabilities are promoted at rates substantially similar to those of men, nonminorities, and employees without disabilities.

Termination Process

We use progressive discipline before terminating employees, where appropriate. All employees are made aware of our discipline process. We conduct adverse impact analyses to ensure that women, minorities, and employees with disabilities do not leave our company at rates substantially dissimilar to those of men, nonminorities, and employees without disabilities.

Religion and National Origin Discrimination and Accommodation for Religious Observance and Practice

As a part of our commitment to Equal Employment Opportunity for all, we have made a specific effort to ensure that national origin and religion are not factors in recruitment, selection, promotion, transfer, termination, or participation in training. The following activities are undertaken to ensure religion and national origin are not used as a basis for employment decisions:

1. Recruitment resources are informed of our commitment to provide equal employment opportunity without regard to national origin or religion.
2. Our employees are informed of our policy and their duty to provide equal opportunity without regard to national origin or religion.
3. Employment practices exist and are reviewed to ensure that we implement equal employment opportunity without regard to national origin or religion.
4. The religious observances and practices of our employees are accommodated, except where the requested accommodation would cause undue hardship on the conduct of our business.
5. We do not discriminate against any qualified applicant or employee because of race, color, creed, disability, age, sex, sexual orientation, marital status, or status with regard to public assistance in implementing the policy concerning non-discrimination

based on national origin or religion.

Sex Discrimination Guidelines

We incorporate the following commitments into this AAP to ensure that all laws related to the prohibition of discrimination based on sex are followed:

1. Employment opportunities and conditions of employment are not related to the sex of any applicant or employee. Salaries are not related to or based upon sex.
2. Women are encouraged to attend all training programs that can facilitate their chances for promotion, and to apply for all positions for which they are qualified.
3. We do not deny employment to women or men with young children and do not penalize, in conditions of employment, women or men who require time away from work for parental leave.
4. Appropriate physical facilities are provided to both sexes.

Prevention of Harassment and Discrimination

Our company has developed policies prohibiting the harassment of or discrimination against any employee because of any characteristic protected under civil rights laws. We distribute these policies routinely to current employees and incorporate these policies as a part of new employee orientation. Employees are aware of contact persons to report any violation of these policies.

ANTI-HARASSMENT POLICY

As a part of our commitment to equal opportunity, Power-Io, Inc. has adopted an anti-harassment policy. Any employee who engages in harassment on the basis of race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to public assistance, membership or activity in a local human rights commission, disability, age, or other legally protected characteristics; any employee who permits employees under his/her supervision to engage in such harassment; or any employee who retaliates or permits retaliation against an employee who reports such harassment is guilty of misconduct and shall be subject to remedial action which may include the imposition of discipline or termination of employment.

Examples of harassment may include derogatory comments regarding a person's race, color, religion, or other protected characteristics, sexually explicit or other offensive images (whether printed or displayed on a computer), and jokes that are based on stereotypes of particular races, sexual orientations, ages, religions, or other protected characteristics.

Sexual Harassment is prohibited and includes any unwelcome sexual advance, request for sexual favor and other verbal or physical conduct of a sexual nature when:

Submission to such conduct is made, either explicitly or implicitly, as a term or condition of employment;

Submission to or rejection of such conduct is used as a factor in any employment decision affecting any individual; or

Such conduct has the purpose or effect of unreasonably interfering with any

employee's work performance or creating an intimidating, hostile or offensive working environment.

Although the intent of the person engaging in the conduct may be harmless or even friendly, it is the welcomeness of the conduct by the recipient that is relevant to whether the conduct is harassment. Given the difficulty of judging whether the conduct is welcome or unwelcome in particular situations, the company prohibits all employees from engaging in any conduct of a sexual nature or amounting to harassment based on any protected category in the work setting.

This policy applies to everyone, including managers. No retaliation or intimidation directed towards anyone who makes a complaint will be tolerated.

If you believe you have been a victim of harassment, take the following steps:

Discuss the matter with your supervisor or manager.

If, for any reason, you would prefer not to speak to your supervisor (for example, if you believe your supervisor to be the source of or a party to the harassment), you may talk to any other member of management or the EEO Coordinator.

The company will investigate and attempt to resolve your complaint promptly. If, for any reason, you believe this has not occurred within a reasonable period of time, refer the problem to any other manager in the company, up to and including the CEO of Power-lo, Inc.

PROBLEM RESOLUTION POLICY

In any organization, dissatisfaction may arise because an employee does not know, understand, or agree with certain policy interpretations or management decisions. Such dissatisfactions are commonly referred to as grievances. At Power-lo, Inc., we believe that if any employee has a grievance concerning his/her wages, hours of work, or other terms or conditions of employment, the matter should receive consideration of all concerned.

An employee who feels aggrieved is urged to take the matter up immediately with his/her supervisor. Your supervisor is required to investigate your grievance and provide you a response or decision within a reasonable period of time. This investigation may consist of, but is not limited to, gathering information from other employees involved, reviewing company policy, and any other action necessary to become familiar with the situation.

If you are not satisfied with the response/decision from your immediate supervisor, you are encouraged to go to the next level of supervision, both orally and in writing. This next level of supervision will also have a reasonable period of time in which to investigate the issue and respond to you in writing.

If, after these steps are taken, you believe inadequate action has been taken to resolve your complaint, contact John Walsh. It is the policy of this organization to respond to any reasonable complaint and take the necessary actions to settle the issue.

There will be no adverse action taken against a complaining employee as a result of making the complaint, regardless of the outcome of the investigation.