

EQUAL OPPORTUNITY POLICY

Newco, Inc. administers its personnel policies and conducts its employment practices in a manner that treats each employee and applicant for employment on the basis of merit and experience, without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, or veteran status.

The Equal Opportunity Policy of the company is based upon the philosophy that people should be treated fairly, with dignity; and upon the belief that citizens in a free society have the right to self-determination without fear of discrimination as to personal preference or characteristics beyond their control. Experience continues to confirm our belief that it is good business to have and support personnel policies and practices with a strong commitment to equal opportunity.

In the application of our Equal Opportunity Policy, managers are responsible to ensure that:

- Recruitment and placement for every level and job classification are conducted without regard to an individual's race, color, religion, sex, sexual orientation, national origin, age, disability or veteran status.
- Decisions on promotions and transfers are in keeping with equal opportunity principles and are based on qualifications as they relate to the requirements of the job for which the person is being considered.
- Personnel policies, practices and actions are applied fairly to all employees.
- Affirmative Action Plans will be implemented within our organizational units.
- Non-segregated facilities are maintained, and appropriate physical facilities are provided for both men and women employees.
- Employees will be provided information concerning the company's Equal Opportunity Policy, Affirmative Action Program and Fair Treatment Process.
- This Equal Opportunity Policy will be monitored by conducting annual regular reviews to determine performance to the company's Affirmative Action Plan.
- The quality of the equal opportunity environment and performance to the Affirmative Action Plan obligations are significant elements of each manager's performance.

In addition, managers and non-management employees are held accountable for any conduct toward their subordinates or co-workers that may be defined as sexual harassment, including sexual advances, requests for sexual favors, or physical or verbal conduct of a harassing nature which is intimidating or demeaning. Any such proven misconduct may be cause for immediate termination from employment.

DESIGNATION OF RESPONSIBILITY
(41 CFR 60-2.17(a))

A) **Management:** The Company's Chief Executive Officer has overall responsibility for our Equal Opportunity Policy and Affirmative Action Program. It is his responsibility to ensure that these policies are effectively managed and that all managers in the organization participate in their implementation.

B) **EEO Official:** The company's EEO Official has been delegated the following responsibilities:

1. Assist in implementing the company's policy on Equal Opportunity;
2. Prepare and update annually the Affirmative Action Plan;
3. Prepare annually and submit the company's Standard Form 100 EEO-1 report to the EEOC/OFCCP Joint Reporting Committee, and the VETS-100 Form to the Department of Labor's Office of Veterans Employment & Training;
4. Maintain a continuing audit of and documentation on the company's activity to identify possible problem areas to measure overall effectiveness of the plan implementation. Follow up with advice and recommendations where appropriate to ensure necessary actions are taken;
5. Assist in resolving identified problem areas;
6. Report periodically to senior management, progress toward achieving affirmative action goals and objectives;
7. Ensure that members of management are kept abreast of recent developments in the Equal Employment Opportunity area and applicable federal, state and local laws and regulations;
8. Serve as liaison between the company and EEO enforcement agencies, as well as women and minorities organizations, and community based organizations;
9. Initiate internal and external communications regarding equal opportunity activities of the company.

C) **Management Responsibilities:** In addition to responsibility for implementation of the Affirmative Action Program, managers have certain responsibilities and may be involved with the EEO Official in the following ways:

1. Assist in the "identification of problem areas" as may exist and in the establishment of Affirmative Action goals and objectives;

Designation of Responsibility (continued)

2. Assist in auditing training programs, hiring and promotional patterns and, as necessary, remove any impediments to our goals and objectives;
3. Have regular discussions with their managers to assure our policies are being followed and that they understand their performance evaluation includes equal opportunity efforts and results, along with other criteria;
4. Review the qualifications of all employees to assure in the process that minorities and women are given full opportunities for promotion and transfer;
5. Provide job/career counseling to all employees;
6. Preview and assure that:
 - All required federal EEO posters are properly displayed;
 - The facility is desegregated and only locker rooms and restrooms are maintained separately by gender;
 - Minorities and women along with other employees may be encouraged to participate in company sponsored educational, training, recreational and social activities.
7. All managers are responsible for taking action to prevent harassment and intimidation of employees.

**ACTION ORIENTED PROGRAMS TO OBTAIN
GOALS AND OBJECTIVES
(41 CFR 60-2.17(c))**

In addition to our ongoing efforts, the company will focus on actions designed to enhance our Affirmative Action performance.

A) **Internal Promotion and Transfer Systems:** We rely upon an effective system for ensuring that employees have equal opportunity to advance in employment as opportunities occur. Because of the importance of these systems to our Affirmative Action Program, we have reviewed and clarified the responsibilities and methods used.

Following is a description of the system as it is intended to operate:

1. **Promotional Process:** Vacancies are filled from within whenever possible either through promotions or transfers. Human Resources may search within the company for qualified candidates to promote into open positions.

“Promotable Employees” are identified in a number of ways, which may include but are not limited to:

- Periodic review of the experience and background of employees;
- Review of education reimbursement applications;
- Discussions with employees regarding career growth and educational interests;
- Recommendations from other managers; and
- Review of wage and salary actions and performance evaluation information.

2. **Transfer System:** It is our practice to make it possible for employees to request transfers to other departments within the company and grant transfers wherever possible to fit the needs and interests of both employees and the organization.

Employees can request a transfer in the following ways:

- Directly filing for a position with Human Resources.
- Through their immediate manager, who forwards their request to Human Resources.

Action Oriented Programs (continued)

Employees requesting consideration for transfer may be contacted by Human Resources to determine the reason for the request. Particular attention may be paid to requests of minorities and women to ensure that their requests do not stem from any discriminatory problem in their current position.

B) Notification of Job Openings: Implementation of a system for notifying local minority/women placement and training agencies of our job openings is being developed.

C) Positions are reviewed on an on-going basis for validity of the qualification requirements. The process for review is as follows:

1. Open positions are reviewed with Human Resources, as a usual procedure;
2. Obvious corrections to job titles, duties, qualification statements, and position are made;
3. The amended position may be reviewed with the hiring manager for concurrence on position requirements.

The foregoing process is also used in establishing new positions. The validity of qualification requirements is checked by Human Resources, as requisitions are received from hiring managers.

D) Other Action Oriented Programs: The following additional action oriented programs aid in the implementation of our Affirmative Action Program. (Note: These actions are not intended to reflect that a problem exists, or is identified, nor do they correct unidentified problems.)

1. Personnel procedures and actions will be monitored by Human Resources to support equal opportunity and affirmative action.
2. Only job related tests are used in our selection processes. Other selection techniques are continually reviewed to assure they do not contain any prohibited bias.
3. Contact will be initiated and continually reinforced with community organizations that specialize in the training, placement, and support of women, minorities, veterans and people with disabilities.
4. Tours may be available to staff members and clients of organizations that specialize in the training and placement of women, minorities, veterans and people with disabilities.
5. Special efforts may be made to employ minority group members as well as women, for Human Resources positions.
6. A primary function of managers is the periodic review of an employee's performance to ensure that they understand and can carry out the duties and requirements of their assignments; to commend employees for superior performance and to assist employees in their efforts to improve and advance in their careers.

Action Oriented Programs (continued)

- E) **Formal Performance Review Program:** This process is designed to review an employee's total performance for the period since their last review. Job performance is compared to standards and discussed with the employee. A summary of the review, including the employee's accomplishments, development needs and other performance information is placed in the employee's personnel file.

Human Resources is responsible to review Performance Appraisals and provide assistance as may be needed to increase manager's effectiveness to guide, motivate and assist employees with their development.

- F). Action-oriented programs are being developed and implemented in the following areas as they are related to any problem areas identified in this Affirmative Action Program:

- (1) Workforce Analyses (by organizational profile and job groups);
- (2) Employment Selection Processes (including: hires, promotions, terminations, applications for employment);
- (3) Personnel Recordkeeping Procedures and Systems;
- (4) Recruiting Efforts (for Minorities and Women); and
- (5) Compensation Analyses.

**INTERNAL AUDIT AND REPORTING SYSTEM
(41 CFR 60-2.17(d))**

To reach our Affirmative Action Goals and Objectives, the company will develop a systematic approach to monitoring and measuring the results of its Program. This EEO/AAP Audit and Reporting System will be implemented as follows:

A) Monitoring of Internal Reports:

The following company reports will be generated and monitored on a regular basis by our designated EEO Official:

1. Applicant Tracking, which will include:
 - Name, race and sex of each applicant, where possible, as designated by the company;
 - Referral source;
 - Job applied for;
 - Disposition of the application;
 - Self-identification
2. Employment Activity Reports: Our Human Resources System records employee hires, transfers, promotions, and terminations, and these actions will be analyzed on a regular basis to ensure that our policy of nondiscrimination is carried out.

B) Additional Internal Auditing and Reporting Procedures:

1. The EEO official will present to it's senior management, a report of AAP Performance to Plan, including a review of placements into each AAP job group and possible problem areas.
2. AAP report results will then be reviewed with all levels of management on a regular basis.

C) Internal Compliance Review:

We will conduct reviews, at least annually, to audit minority and women AAP progress and performance; identify any problem areas that may exist; and conduct an analysis for adverse impact. Recommendations are then made to the EEO Official for inclusion in next year's Affirmative Action Plan.