

DEMO COMPANY, INC.

**2004 AFFIRMATIVE
ACTION PROGRAM**

**Marshall, MN
38112**

The narrative information contained in this affirmative action program is proprietary information. No changes or reproduction of materials herein should be made without express written consent of Demo Company, Inc.

DEMO COMPANY, INC.

**6374 CORPORATE DR.
MARSHALL, MN 38112-2738**

EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION PROGRAMS

2004

Prepared by: _____
Kelly J. Davis
EEO Coordinator

Approved by: _____
James P. Rireson
President & CEO

**EQUAL EMPLOYMENT OPPORTUNITY
AFFIRMATIVE ACTION PROGRAM (AAP)**

OF

**DEMO COMPANY, INC.
HEADQUARTERS**

| | |
|--|---|
| Federal Identification Number: | 57-8351830 |
| Inclusive Dates of the AAP: | JANUARY 1, 2004 – DECEMBER 31, 2004 |
| Employee Responsible for Program Implementation: | FRANCIS K. SMITH |
| Title: | VP PERSONNEL MGMT. |
| Telephone: | (283) 670-2877 |
| Name/Address of Facility: | DEMO COMPANY, INC. 6374 CORPORATE DR. MARSHALL, MN 38112-2738 |
| Facility Chief Executive Officer: | JAMES P. RIRESON |
| Title: | PRESIDENT & CEO |
| Telephone: | (487) 522-3871 |
| Facility EEO Coordinator: | KELLY J. DAVIS |
| Title: | EEO COORDINATOR |
| Telephone: | (252) 823-4761 |
| Corporate Parent/Address: | |

**EQUAL EMPLOYMENT OPPORTUNITY
AFFIRMATIVE ACTION PROGRAM**

OF

DEMO COMPANY, INC.

**6374 CORPORATE DR.
MARSHALL, MN 56258-2738**

JANUARY 1, 2004 - DECEMBER 31, 2004

VOLUME I

PROGRAM NARRATIVES

NOTICE: This material contains confidential and privileged commercial/financial information or proprietary trade secrets not generally available to the general public. Disclosure will be harmful to Demo Company, Inc.'s competitive position.

Table of Contents

Executive Order 11246

| | |
|-------------|---|
| | Signatures |
| | Company Information |
| | Volume I Cover Page |
| | Table of Contents |
| | Introduction |
| | Confidentiality Statement |
| | Program Terminology |
| Section I | Equal Opportunity Policy |
| Section II | Designation of Responsibility (41 CFR 60-2.17(a)) |
| Section III | Action Oriented Programs (41 CFR 60-2.17(c)) |
| Section IV | Internal Audit and Reporting System (41 CFR 60-2.17(d)) |

Disabled AAP

| | |
|--------------|--|
| | Table of Contents |
| Section I | Equal Employment Policy (41 CFR 60-741.44(a)) |
| Section II | Review of Personnel Processes (41 CFR 60-741.44(b)) |
| Section III | Physical and Mental Qualifications (41 CFR 60-741.44(c)) |
| Section IV | Reasonable Accommodation to Physical and Mental Limitations (41 CFR 60-741.44(d)) |
| Section V | Harassment of Individuals Prohibited (41 CFR 60-741(e)) |
| Section VI | External Dissemination of Policy, Outreach and Positive Recruitment (41 CFR 741.44(f)) |
| Section VII | Internal Dissemination of Policy (41 CFR 60-741.44(g)) |
| Section VIII | Audit and Reporting System (41 CFR 60-741.44(h)) |
| Section IX | Record keeping (41 CFR 60-741.80) |
| Section X | Responsibility for Implementing the AAP (41 CFR 60-741.44(i)) |
| Section XI | Training (41 CFR 70-741.44(j)) |
| Section XII | Availability of the AAP (41 CFR 60-741.41) |
| Section XIII | Invitation to Self-Identify (41 CFR-741.42) |
| | Definitions |
| | Equal Opportunity Clause |

Vietnam Era, Special Disabled, and Other Veterans' AAP

| | |
|--------------|--|
| | Table of Contents |
| Section I | Introduction |
| Section II | Statement of Policy (41 CFR 60-250.44(a)) |
| Section III | Review of Personnel Processes (41 CFR 60-250.44(b)) |
| Section IV | Physical and Mental Qualifications (41 CFR 60-250.44(c)) |
| Section V | Reasonable Accommodations to Physical and Mental Limitations (41 CFR 60-250.44(d)) |
| Section VI | Harassment of Individuals Prohibited (41 CFR 60-250.44(e)) |
| Section VII | External Dissemination of Policy, Outreach, and Positive Recruitment (41 CFR 60-250.44(f)) |
| Section VIII | Internal Dissemination of Policy (41 CFR 60-250.44(g)) |
| Section IX | Audit and Reporting System (41 CFR 60-250.44(h)) |
| Section X | Responsibility for Implementation (41 CFR 60-250.44(i)) |
| Section XI | Training (41 CFR 60-250.44(j)) |
| Section XII | Recordkeeping and Access to Records (41 CFR 60-250.80,81) |
| Section XIII | Availability of the AAP (41 CFR 60-250.41) |
| | Definitions |
| | Equal Opportunity Clause |

AFFIRMATIVE ACTION PROGRAM

INTRODUCTION

The following Affirmative Action Program (“AAP”) has been developed in accordance with contract compliance regulations from the Federal Government’s Executive Order 11246, pertaining to Affirmative Action Programs for Minorities and Women, The Rehabilitation Act of 1973, for Individuals with Disabilities and The Vietnam Era Veterans Readjustment Assistance Act of 1974, concerning Vietnam Era, Special Disabled and Other Covered Veterans.

The scope of this Affirmative Action Program includes all departments of Demo Company, Inc. This document:

- Specifies our equal employment policy along with a detailed description of how that policy is implemented;
- Identifies areas of minority and/or women concentration or under-representation;
- Establishes goals for specific areas of the workforce; and,
- Outlines the efforts that will be taken to ensure that the Affirmative Action Program is implemented.

Demo Company, Inc., Headquarters Facts

The Charles Schwab Corporation is one of the nation’s largest financial services firms engaged, through its subsidiaries, in providing securities brokerage and related financial services for over 7 million active accounts. Our clients include domestic and international individual investors, independent investment managers, institutions, broker-dealers and 401(k) plan sponsors.

Nearly 30 years ago, Charles Schwab founded a securities and financial services brokerage with a clear mission that revolutionized the way Wall Street served individual investors. Our unique vision continues to guide our values driven approach to growth, customer service, community involvement and employee development.

Demo Company, Inc., Headquarters has an on-going commitment to the goals of equal opportunity and affirmative action programs. This document was developed to meet the needs of personnel in implementing the affirmative action program during the current program year.

CONFIDENTIALITY

This Affirmative Action Program contains confidential information that is subject to the provisions of 18 U.S.C. S1905. Chrysler Corp. v. Brown, 441, U.S. 281, 19 FEP 475 (1979).

Copies of this Affirmative Action Program and all related appendices, documents and supporting data are made available on loan to the U.S. Government upon the request of said government on the condition that the government hold them totally confidential and not release copies to any person whatsoever. This Affirmative Action Program and its appendices and other supporting documents contain much confidential information that may reveal, directly or indirectly, the organization's plans for business or geographical expansion or contraction. The company considers this Affirmative Action Program to be exempt from disclosure, reproduction and distribution under the Freedom of Information Act upon the grounds, among others, that such materials constitute: (1) personnel files, the disclosure of which would constitute a clearly unwarranted invasion of personnel privacy, which are exempt from disclosure under 5 U.S.C. 552(b) (6); (2) confidential, commercial or financial information, which is exempt from disclosure under 5 U.S.C. 552 (b) (4); (3) investigatory records compiled for law enforcement purposes, the reproduction of which are exempt from disclosure under 5 U.S.C. 552(b) (7) (C); and as (4) matters specifically exempt from disclosure by statute, which are exempt from disclosure under 5 U.S.C. 552(b) (3). Notice is hereby given of a request pursuant to 41 C.F.R. 60-60.4(d) that portions of this AAP be kept confidential.

Specifically, the company does not consent to the release of any information whatsoever contained in this Affirmative Action Program under the Freedom of Information Act or otherwise. If the U.S. Government, or any agency or subdivision thereof, is considering a request for release of this plan under the Freedom of Information Act, request is hereby made that the government immediately notify the Chief Executive Officer of the company of any and all Freedom of Information Act requests received by the government or any other contemplated release of this plan by the government which relates to information obtained by the government from the company.

The company further requests that everyone who has any contact with this Affirmative Action Program, or its supporting appendices, documents and other data, treat such information as totally confidential and that such information not be released to any person whatsoever.

Retention or disclosure of information relating to identifiable individuals may also violate the Privacy Act of 1974.

PROGRAM TERMINOLOGY

The terms “incumbency to availability analysis,” utilization,” “problem area,” and “adverse impact” or “goals,” appearing in this Affirmative Action Program, are terms the company is required to use herein by government regulations. The criteria used in relation to these terms are those specified by the government. These terms have no independent legal or factual significance, although the company will use the terms in total good faith in connection with its Affirmative Action Program. Such usage does not necessarily signify that the company agrees that these terms are properly applied to any factual situation.

Whenever the term “placement goal” is used, the following two major principles should be applied: 1) Placement goals may not be rigid and inflexible quotas. Quotas are expressly forbidden. 2) In all employment decisions, the contractor must make selections in a nondiscriminatory manner. Placement goals do not provide the contractor with a justification to extend a preference to any individual, select an individual, or adversely affect an individual's employment status, on the basis of that person's race, color, religion, sex, or national origin (41 C.F.R. 60-2.16(e)).

EQUAL OPPORTUNITY POLICY

Demo Company, Inc., Headquarters 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.
- The Equal Opportunity Policy of the company will be monitored by conducting annual, regular reviews to determine performance to the 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.

To: Employees of Demo Company, Inc., Headquarters and Applicants for Employment
From: James P. Rireson, President & CEO
Date: January 1, 2004
Re: Equal Employment Opportunity Policy

Policy:

It is the policy of Demo Company, Inc., Headquarters to base all employment decisions on the principles of equal employment opportunity and to take affirmative action in the employment of women, minorities, individuals with disabilities, and veterans. In particular, it is company policy:

- To recruit, hire, promote, reassign, and train qualified persons without regard to race, color, religion, sex, sexual orientation, or national origin;
- To undertake, through affirmative efforts, to improve employment opportunities for minorities, women, people with disabilities and veterans,
- To administer all personnel actions such as compensation, benefits, transfers, layoff, return from layoffs, company-sponsored training, education, social and recreational programs without regard to race, color, religion, sex, sexual orientation, or national origin; and
- To provide reasonable accommodation where feasible, and otherwise treat equally, qualified individuals with disabilities.

Additionally, Demo Company, Inc., Headquarters fully supports the "American with Disabilities Act" (ADA), and will respond to requests for job accommodations.

This statement is a part of our Affirmative Action Plan. Information on the Individuals with Disabilities and Veterans Programs are available for review by employees and applicants in the office of our EEO Official, EEO Coordinator. Any questions you have in this area should be addressed to her at (252) 823-4761, during our regular business hours of 9:00 a.m. to 5:00 p.m.

DESIGNATION OF RESPONSIBILITY

(41 CFR 60-2.17(a))

- A) **Management:** The VP Personnel Mgmt. has overall responsibility for our Equal Opportunity Policy and Affirmative Action Program. It is her responsibility to ensure that these policies are effectively managed and that managers at all levels of the organization take part in their implementation.
- B) **EEO Official:** The company's EEO Official, EEO Coordinator 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 we intend it 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 also 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 Compensation Analyses.
- (5) Compensation Analyses.

INTERNAL AUDIT 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. The 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 its 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.

AAP For Individuals with Disabilities

(Section 503 of The Rehabilitation Act of 1973)

TABLE OF CONTENTS

SECTION

| | | |
|-------|--|----------------|
| I. | Equal Employment Policy..... | (60-741.44(a)) |
| II. | Review of Personnel Processes..... | (60-741.44(b)) |
| III. | Physical and Mental Qualifications..... | (60-741.44(c)) |
| IV. | Reasonable Accommodation to Physical and Mental Limitations of Employees..... | (60-741.44(d)) |
| V. | Harassment | (60-741.44(e)) |
| VI. | External Dissemination of Policy, Outreach and Positive Recruitment | (60-741.44(f)) |
| VII. | Internal Dissemination of Policy..... | (60-741.44(g)) |
| VIII. | Audit and Reporting System..... | (60-741.44(h)) |
| IX. | Record keeping | (60-741.80) |
| X. | Responsibility for Implementing the AAP | (60-741.44(i)) |
| XI. | Training | (60-741.44(j)) |
| XII. | Availability of the Affirmative Action Program | (60-741.41) |
| XIII. | Invitation To Self-Identify..... | (60-741.42) |
| | Definitions..... | (60-741.2) |
| | Equal Opportunity Clause | (60-741.5) |

SECTION I

EQUAL EMPLOYMENT POLICY (41 CFR 60-741.44(a))

Demo Company, Inc., Headquarters undertakes affirmative action as described, to recruit, hire, train and promote, qualified individuals with disabilities and ensure that all personnel actions, including compensation, are administered without regard to a person's disability; and that employment decisions are based only on valid job requirements. In offering employment or promotions to individuals with disabilities, Demo Company, Inc., Headquarters will also ensure that the compensation offered is not reduced based upon any other income related to disability-related income or benefits.

It is company policy that employees and applicants are not subjected to harassment, intimidation, threats, coercion or discrimination merely because they filed a complaint or participated in an investigation requiring equal employment opportunity for disabled individuals.

To ensure equal employment opportunity and fair treatment, Demo Company, Inc., Headquarters will periodically measure the effectiveness of its overall affirmative action program efforts. Our VP Personnel Mgmt., is assigned overall responsibility for the implementation of our affirmative action program.

SECTION II

REVIEW OF PERSONNEL PROCESSES (41 CFR 60-741.44(b))

Demo Company, Inc., Headquarters will ensure that its personnel processes provide a thorough and systematic consideration of the job qualifications of applicants and employees with known disabilities for job vacancies filled through hiring or promotion and for all training opportunities.

In addition, Demo Company, Inc., Headquarters will ensure that its personnel processes provide for careful, thorough, and systematic consideration of the job qualifications of applicants and employees with known disabilities for job vacancies filled either by hiring or promotion, and for all training opportunities offered or available. The contractor shall ensure that its personnel processes do not stereotype disabled persons in a manner which limits their access to all jobs for which they are qualified. The contractor shall periodically review such processes and make any necessary modifications to ensure that these obligations are carried out. A description of the review and any necessary modifications to personnel processes or development of new processes shall be included in any affirmative action programs required under this part. The contractor must design procedures that facilitate a review of the implementation of this requirement by the contractor and the Government.

SECTION III

PHYSICAL AND MENTAL QUALIFICATIONS (41 CFR 60-741.44(c))

Demo Company, Inc., Headquarters will ensure that to the extent qualifications may screen out qualified individuals with disabilities, they are job-related for the position in question and consistent with business necessity.

Whenever physical or mental job qualifications are applied to the selection of an applicant or employee, to the extent that qualification standards may screen out qualified individuals with disabilities, the standards will be related to the specific job or jobs for which the individual is being considered, consistent with business necessity.

The company may determine that an individual poses a direct threat to the health or safety of themselves or others in the workplace and use this information as a defense to allegations of discrimination.

In the event a medical examination is required to qualify for a job, the results of such an examination will be used only in accordance with the provisions of this Plan. We will inquire into an individual's physical or mental condition or conduct a medical examination only when it is necessary to evaluate the individual for his or her present job or one for which the individual is being considered. In any event, all information obtained will be kept confidential except as may be expressly waived in writing by the employee or under the following conditions:

- Supervisors and managers may be informed regarding work or duty restrictions of the individual and regarding needed reasonable accommodations;
- First Aid and Safety personnel may be informed, to the extent appropriate, if the condition requires emergency treatment; and,
- Government officials engaged in enforcing the Rehabilitation Act, VEVRA, or the Americans with Disabilities Act (ADA) may be informed.

SECTION IV

REASONABLE ACCOMMODATION TO PHYSICAL AND MENTAL LIMITATIONS OF EMPLOYEES (41 CFR 60-741.44(d))

Demo Company, Inc., Headquarters will make reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability unless it can be shown that the accommodation would impose an undue hardship on the operation of the business. In determining the extent of the accommodation to be made, business necessity and financial costs may be considered.

When appropriate, if an employee with a known disability is having significant difficulty performing his or her job and discussion relates the performance problem to a known disability, the company may confidentially discuss whether the employee is in need of a reasonable accommodation to address the problem.

Information on individuals with disabilities will be kept confidential except in the following situations:

- Supervisors and managers may be informed regarding restrictions to the work or duties of the individual and regarding needed reasonable accommodations;
- First Aid and Safety personnel may be informed where and to the extent appropriate, if the condition might require emergency treatment; and
- Government Officials engaged in enforcing the Rehabilitation Act, VEVRA, and the ADA may be informed.

SECTION V

HARASSMENT (41 CFR 60-741.44(e))

Demo Company, Inc., Headquarters will ensure that people with disabilities are not harassed because of known physical or mental limitations.

SECTION VI

EXTERNAL DISSEMINATION OF POLICY, OUTREACH AND POSITIVE RECRUITMENT (41 CFR 60-741.44(f))

We have reviewed our employment practices to determine whether our personnel programs provide effective affirmative action for employment and advancement of qualified individuals with disabilities. As appropriate, we will undertake to do one or more of the following:

- a) Enlist the assistance and support of recruiting sources (including State Employment Agencies, State vocational rehabilitation agencies or facilities, sheltered workshops, college placement offices, State education agencies, and organizations of and for individuals with disabilities) to provide meaningful employment opportunities for qualified individuals with disabilities.
- b) Hold formal briefing sessions with representatives from recruiting sources. Plant tours, clear and concise explanations of current and future job openings, position descriptions, job specifications, explanation of the company selection processes, and recruiting literature will be an integral part of the briefing sessions.
- c) Incorporate special efforts during recruitment efforts at schools to reach students with disabilities. Efforts may be made to participate in work-study programs with rehabilitation facilities and schools that specialize in training or educating individuals with disabilities.
- d) Establish contact with appropriate social service agencies, organizations of and for individuals with disabilities and vocational rehabilitation agencies or facilities, for such purposes as advice, technical assistance, and referral of potential employees.
- e) Include individuals with disabilities when employees are featured in consumer, promotion, or employment advertising. Individuals with disabilities can participate in career days, youth motivation programs and related activities in the community.
- f) Send written notification of our EEO policy to subcontractors, vendors and suppliers, requesting appropriate action on their part.
- g) Consider applicants with known disabilities for other available positions for which they may be qualified when the position(s) applied for is unavailable.
- h) Take positive steps to attract qualified individuals with disabilities not currently in the workforce who have the requisite skills and can be recruited through affirmative action efforts.

SECTION VII

INTERNAL DISSEMINATION OF POLICY (41 CFR 60-741.44(g))

To ensure greater employee participation in our affirmative action program, Demo Company, Inc., Headquarters has developed internal procedures to engage in efforts to employ and advance in employment, qualified individuals with disabilities. We may undertake the following activities in an effort to foster understanding, acceptance and support among managers and employees:

- a) Include the company policy on equal employment opportunity in our Employee Handbook;
- b) Inform employees and prospective employees of our commitment to engage in affirmative action to increase employment opportunities for individuals with disabilities.
- c) Publicize our EEO policy in the Annual Report, newsletter and other media, as appropriate.
- d) During management and employee meetings, include discussion of the intent of the EEO policy and individual responsibility for effective implementation, making clear the Chief Executive Officer's commitment.
- e) Discuss the EEO policy in employee orientation and management training programs.
- f) Where appropriate, include articles on accomplishments of disabled workers in company publications.
- g) Communicate on a regular basis our company policy regarding non-harassment of individuals with disabilities.

SECTION VIII

AUDIT AND REPORTING SYSTEM (41 CFR 60-741.44(h))

Demo Company, Inc., Headquarters will develop an audit and reporting system that measures the effectiveness of the affirmative action program. The system, when fully implemented, will include the following elements:

- (a) The degree to which affirmative action objectives have been attained.
- (b) Whether individuals with known disabilities have had the opportunity to participate in company sponsored educational, training, recreational and social activities.
- (c) Measures the company's compliance with specific affirmative action program obligations.
- (d) Where an affirmative action program element is found to be deficient, the company will undertake necessary actions to bring the program into compliance.

SECTION IX

RECORDKEEPING (41 CFR 60-741.80)

Generally speaking, personnel or employment records made or kept will be preserved for a period of two years* from the date of the record or the personnel action involved, whichever occurs later. Records include, but are not limited to:

- Records relating to reasonable accommodations;
- The results of physical examinations;
- Job advertisements and postings; applications and resumes;
- Tests and test results; interview notes; and other records having to do with hiring, assignment, promotion, demotion, transfer, lay-off, or termination, rates of pay or other terms of compensation, and selection for training programs;
- In the case of involuntary terminations, personnel records shall be kept for a period of two years from the date of the terminations;
- Where a complaint of discrimination has been filed, a compliance review initiated, or an enforcement action has commenced, all personnel records relevant to the situation shall be preserved until final disposition of the action.

Record keeping requirements apply only to records made or kept on or after August 29, 1996.

SECTION X

RESPONSIBILITY FOR IMPLEMENTING THE AAP (41 CFR 60-741.44(i))

Demo Company, Inc., Headquarters has assigned responsibility for implementation of the affirmative action program and its activities to an officer of the company. Our VP Personnel Mgmt.'s identity will appear on all internal and external communications regarding the company's affirmative action program. She will be given the necessary management support, staff and other resources to manage and implement the program.

SECTION XI

TRAINING (41 CFR 70-741.44(j))

All personnel involved in the recruitment, screening, selection, promotion, disciplinary, and related processes will be trained to ensure that the commitments in the company's affirmative action program are implemented.

SECTION XII

AVAILABILITY OF THE AFFIRMATIVE ACTION PROGRAM (41 CFR 60-741.41)

A copy of this Affirmative Action Program is available to employees or applicants for employment, upon request to any member of Human Resources or management. The location and hours during which copies of the AAP may be obtained are posted at each site, as appropriate.

SECTION XIII

INVITATION TO SELF-IDENTIFY (41 CFR 60-741.42)

As required, Demo Company, Inc., Headquarters will, after making an offer of employment to an applicant and before the applicant begins his or her employment, invite them to inform the company whether the applicant believes that he or she may be covered under the affirmative action program for Individuals with Disabilities.

The invitation to self-identify will state that a request to benefit under the affirmative action program may be made immediately, or any time in the future. The invitation will summarize relevant portions of the affirmative action program and state that the information being requested is voluntary and will be kept confidential and that refusal to provide it will not subject the applicant to any adverse treatment and that the information will only be used in accordance with obligations in the regulations.

A separate file will be kept on individuals who self-identify. This information will be provided to Government representatives upon request.

DEFINITIONS

(41 CFR 60-741.2)

Government Contract - means any agreement or modification between any contracting agency and any person for the purchase, sale or use of personal property or non-personal services (including construction). The term *government contract* does not include agreements in which the parties stand in the relationship of employer and employee, and federally assisted contracts.

Contracting Agency - means any department, agency, establishment or instrumentality of the United States, including any wholly owned government corporation, which enters into contracts.

Contractor - means a prime contractor or subcontractor holding a contract in excess of \$10,000.

Individual with a disability - means any person who:

- (a) has a physical or mental impairment which substantially limits one or more of such person's major life activities;
- (b) has a record of such an impairment; or
- (c) is regarded as having such an impairment.

"Substantially limits" - means (a) unable to perform a major life activity that the average person in the general population can perform, or (b) significantly restricted as to the condition, manner or duration under which an individual can perform a particular major life activity as compared to the condition, manner, or duration under which the average person can perform that same major life activity. The following factors should be considered in determining whether an individual is substantially limited in a major life activity:

- (1) The nature and severity of the impairment;
- (2) The duration or expected duration of the impairment; and
- (3) The permanent or long-term impact or the expected impact of or resulting from an impairment.

Qualified individual with a disability - means an individual with a disability who satisfies the requisite skill, experience, education and other job-related requirements of the employment position such individual holds or desires, and who, with or without reasonable accommodation can perform the essential functions of such position.

Essential functions - means fundamental job duties of the employment position the individual with a disability holds or desires. The term *essential functions* does not include the marginal functions of the position.

Reasonable accommodation - means (a) modifications or adjustments to a job application process that enable a qualified applicant with a disability to be considered for the position such applicant desires, or, (b) modifications or adjustments to the work environment or to the manner or circumstances under which the position held or desired is customarily performed, that enable a qualified individual with a disability to perform the essential functions of the position, or (c) modifications or adjustments that enable the employee with a disability to enjoy equal benefits and privileges of employment as are enjoyed by the company's other similarly situated employees without disabilities.

Definitions (continued)

Undue hardship - means, with respect to the provision of an accommodation, significant difficulty or expense incurred by the company, when considered in light of the following factors: (a) the nature and net cost of the accommodation needed; (b) the overall financial resources of the facility involved in the provision of the reasonable accommodation; (c) the overall financial resources of the company, the size of the business and the number, type and location of its facilities; (d) the type of operation of the company; (e) the impact of the accommodation upon the operation of the facility, including the impact on the ability of other employees to perform their duties and the impact on the facilities ability to conduct business.

Direct threat - means a significant risk of substantial harm to the health or safety of the individual or others that cannot be eliminated or reduced by reasonable accommodation. The determination that an individual with a disability poses a "direct threat" shall be based on an individualized assessment of the individual's present ability to perform safely the essential functions of the job. This assessment shall be based upon reasonable medical judgment that relies on the most current medical knowledge and/or on the best available objective evidence. In determining whether an individual would pose a 'direct threat' the factors to be considered include: (a) the duration of the risk; (b) the nature and severity of the potential harm; (c) the likelihood that the potential harm will occur; and (d) the imminence of the potential harm.

EQUAL OPPORTUNITY CLAUSE

(41 CFR 60-741.5)

Equal Opportunity for Workers with Disabilities

1. Demo Company, Inc., Headquarters will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
 - i. Recruitment, advertising, and job application procedures;
 - ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff and rehiring;
 - iii. Rates of pay or any other form of compensation and changes in compensation;
 - iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
 - v. Leaves of absence, sick leave, or any other leave;
 - vi. Fringe benefits available by virtue of employment, whether or not administered by the contractor;
 - vii. Selection and financial support for training including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
 - viii. Activities sponsored by the contractor including social or recreational programs; and
 - ix. Any other term, condition, or privilege of employment.
2. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
3. In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to Section 503 of the Rehabilitation Act of 1973.
4. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The contractor must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the contractor may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).

Equal Opportunity Clause (continued)

5. The contractor will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding that the contractor is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
6. The contractor will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the Rehabilitation Act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

Vietnam Era, Special Disabled and Other Veteran's AAP
(41 CFR PART 60-250)

TABLE OF CONTENTS

SECTION

| | |
|-------|--|
| I. | Introduction |
| II. | Statement of Policy (60-250.44(a)) |
| III. | Review of Personnel Processes (60-250.44(b)) |
| IV. | Physical and Mental Qualifications (60-250.44(c)) |
| V. | Reasonable Accommodation to Physical and Mental Limitations (60-250.44(d)) |
| VI. | Harassment (60-250.44(e)) |
| VII. | External Dissemination of Policy, Outreach and Positive Recruitment (60-250.44(f)) |
| VII. | Internal Dissemination of Policy (60-250.44(g)) |
| IX. | Audit and Reporting System (60-250.44(h)) |
| X. | Responsibility for Implementation (60-250.44(i)) |
| XI. | Training (60-250.44(j)) |
| XII. | Recordkeeping and Access to Records (60-250.44(j)) |
| XIII. | Availability of the Affirmative Action Plan (60-250.41)..... |
| | Definitions..... |
| | Equal Opportunity Clause |

SECTION I

INTRODUCTION

The following Affirmative Action Program has been prepared by Demo Company, Inc., Headquarters to implement the affirmative action provisions of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. This Act requires Government contractors and subcontractors to take affirmative action to employ and advance in employment qualified special disabled veterans, veterans of the Vietnam era, and other veterans covered under the Act.

The regulations implementing this Act were effective January 4, 1999.

SECTION II

STATEMENT OF POLICY (41 CFR 60-250.44(a))

Demo Company, Inc., Headquarters takes affirmative action as described in this Program to recruit, hire, train, and promote, special disabled veterans and veterans of the Vietnam Era, and other veterans who are covered under the Veterans' Act. The company will ensure that its personnel actions are administered without regard to an individual's veteran status or disability and that employment decisions are based on valid job requirements.

To ensure equal opportunity, our VP Personnel Mgmt. has overall responsibility for this Affirmative Action Program. She has delegated responsibility for program implementation and will monitor program performance and report to senior management on a regular basis.

It is also company policy that employees and applicants will not be subjected to harassment of any kind because they participated in an investigation requiring equal employment opportunity, or filed a complaint alleging unfair treatment.

SECTION III

REVIEW OF PERSONNEL PROCESSES (41 CFR 60-250.44(b))

Demo Company, Inc., Headquarters will review all personnel processes on a regular basis to determine whether they assure careful, thorough and systematic consideration of the job qualifications of disabled veterans, Vietnam Era veterans and other covered veterans, applicants and employees for vacancies filled through hiring or promotion, and for all training opportunities offered or available. Procedures that are found inadequate in this regard may be changed to assure proper consideration of covered veterans.

In determining the qualifications of covered veterans, the company considers only those portions of military records, including discharge papers, relevant to specific qualifications for the job for which veterans are being considered. Demo Company, Inc., Headquarters will also ensure that its selection processes are not designed to stereotype covered veterans in a manner that may limit access to jobs for which they are qualified. In offering employment or promotions to covered veterans, we will not reduce the amount of compensation offered because of any disability income, pension, or other benefit he or she received from another source. To ensure compliance with the regulations, the following procedures have been designed to facilitate a review of the requirements:

- (1) Employment applications or resumes of individuals who are known to be covered veterans will be identified in a non-discriminatory way with regard to the opportunity for which they are being considered.
- (2) Personnel records of known covered veterans will include identifying the promotion or training opportunity for which the individual was considered.
- (3) Where an individual who is a known covered veteran is rejected for an employment, promotion, or training opportunity, a statement of the reason and a description of the accommodation(s) considered, if any, will be prepared.
- (4) Where individuals are selected for hire, promotion or training and the company undertakes any accommodation which makes it possible to place a special disabled veteran on the job, documentation will include a description of the accommodation. The information will be treated as confidential medical information.

SECTION IV

PHYSICAL AND MENTAL QUALIFICATIONS (41 CFR 60-250.44(c))

Demo Company, Inc., Headquarters will develop a schedule and maintain a regular review of all physical and mental job qualifications to ensure that, to the extent qualification standards screen out qualified special disabled veterans, they are job-related for the position in question and consistent with business necessity.

In addition:

- (1) When physical or mental qualifications are applied to the employment, promotion, demotion or training process and the standards do screen out qualified special disabled veterans, the standards must then be related to the specific job (or jobs) for which the individual was considered, consistent with business necessity. Demo Company, Inc., Headquarters understands that it will have the responsibility to demonstrate, through documentation or other non-discriminatory means, that it has met this requirement.
- (2) Demo Company, Inc., Headquarters may use as a defense that the individual poses a direct threat to the health or safety of themselves or others in the workplace.

SECTION V

REASONABLE ACCOMMODATION TO PHYSICAL AND MENTAL LIMITATIONS (41 CFR 60-250.44(d))

As a matter of non-discrimination, Demo Company, Inc., Headquarters will make reasonable accommodation to the known physical or mental limitations of an otherwise qualified special disabled veteran unless we can show that the accommodation(s) would impose an undue hardship on the operation of our business

As a matter of affirmative action, when an employee who is a special disabled veteran has significant difficulty performing his or her job, and it can reasonably be concluded that a performance problem is related to their disability, the company *may* inquire whether the problem is, in fact, related to the individual's disability. If the individual responds in the affirmative, Demo Company, Inc., Headquarters may then move to confidentially inquire whether the individual is in need of a reasonable accommodation.

SECTION VI

HARASSMENT (41 CFR 60-250.44(e))

Demo Company, Inc., Headquarters has developed and implemented procedures to ensure that its employees are not harassed because of their status as special disabled veterans, veterans of the Vietnam era or veterans of any other conflict covered under the Veterans' Act of 1974, as amended.

SECTION VII

EXTERNAL DISSEMINATION OF POLICY, OUTREACH AND POSITIVE RECRUITMENT (41 CFR 60-250.44(f))

Demo Company, Inc., Headquarters will undertake appropriate outreach and positive recruitment activities to recruit qualified special disabled veterans, veterans of the Vietnam era and other covered veterans, consistent with our employment needs and resources. The scope of Demo Company, Inc.'s efforts may include, but is not limited to, the following:

- (1) Enlisting the support of the Local Veterans' Employment Representative, or his/her designee in the local employment service office nearest to each facility, or, by registering all open positions with the following Federal government employment service:

America's Job Bank
<http://www.ajb.dni.us>
- (2) Contacting the Department of Veterans Affairs Regional Office nearest facility;
- (3) Contacting veterans' counselors and coordinators on college campuses;
- (4) Contacting local veterans' groups and service centers;
- (5) Holding briefings at our site with representatives from recruiting resources. Plant tours, explanations of current and future job openings, position descriptions, explanation of our personnel selection process and distribution of recruiting literature may be part of the briefings. Arrangements could be made for referral of applicants, follow up, and feedback on the disposition of applicants referred.
- (6) Recruitment at educational institutions could incorporate special efforts to reach students who are covered veterans, including efforts to participate in work-study programs.
- (7) Contacting veterans' service organizations for purposes of advice, technical assistance and referral of potential employees. Technical assistance may consist of advice on proper placement, recruitment, training and accommodations.
- (8) Sending written notification of our EEO policy to all subcontractors, vendors and suppliers, requesting appropriate action on their part.
- (9) In making hiring decisions, the company may consider applicants who are known covered veterans for all available positions when a position applied for is unavailable.

SECTION VIII

INTERNAL DISSEMINATION OF POLICY (41 CFR 60-250.44(g))

To ensure greater employee cooperation and participation, Demo Company, Inc., Headquarters will develop internal communication procedures for our affirmative action efforts to employ and advance in employment special disabled veterans and veterans of the Vietnam era and other covered veterans. These procedures are designed to promote understanding, acceptance and support among our managers and other employees to take actions necessary to aid in meeting our obligations. The scope of our efforts will depend upon many circumstances, such as the size of the company, our resources, and the extent to which our existing practices have been effective. The following are some actions contemplated:

- (1) Include the EEO policy in our Employee Handbook;
- (2) Inform employees and prospective employees of its commitment to engage in affirmative action to increase employment opportunities for covered veterans by periodically scheduling meetings to discuss policy and explain individual employee responsibilities;
- (3) Publicize the EEO policy in all company communications on an annual basis;
- (4) Conduct management meetings to explain the intent of the company's EEO policy; individual responsibility for implementation, and the company's commitment of the Company toward this Program;
- (5) Discuss the company's EEO policy in employee orientation and management training sessions;
- (6) As appropriate, publish articles on the accomplishments of special disabled veterans, veterans of the Vietnam era, and other covered veterans.

SECTION IX

AUDIT AND REPORTING SYSTEM (41 CFR 60-250.44(h))

Demo Company, Inc., Headquarters will design and develop an audit and reporting system to measure the effectiveness of our affirmative action efforts, including any need for remedial action. When fully implemented, the system will:

- (1) Determine the degree to which company objectives have been met;
- (2) Determine whether special disabled veterans, veterans of the Vietnam era, or other covered veterans, have had the opportunity to participate in company-sponsored educational, training, recreational and social activities;
- (3) Measure company compliance with affirmative action obligations; and,
- (4) Where Affirmative Action Program efforts and results have been ineffective, develop necessary actions to bring the program into compliance.

SECTION X

RESPONSIBILITY FOR IMPLEMENTATION (41 CFR 60-250.44(i))

Our VP Personnel Mgmt. is responsible for implementation of this Affirmative Action Program. She will be given all the necessary management support, staff, and other resources to manage and implement the Affirmative Action Program for special disabled veterans, veterans of the Vietnam era, and other veterans covered under this Act.

SECTION XI

TRAINING (41 CFR 60-250.44(j))

All personnel involved in the recruitment, screening, selection, promotion, disciplinary and other related processes, will be trained in their affirmative action responsibilities and Demo Company, Inc., HeadquartersApos obligations, to ensure that the commitments stated in this Program are implemented.

SECTION XII

RECORDKEEPING AND ACCESS TO RECORDS (41 CFR 60-250.80 & 60-250.81)

- (a) **Recordkeeping – General Requirements.** All personnel or employment records made or kept by Demo Company, Inc., Headquarters will be preserved for a period of two years* from the date of the making of the record or the personnel action involved, whichever occurs later. Such records include, but are not limited to: records relating to requests for reasonable accommodation; the results of any physical examination; job advertisements and postings; applications and resumes; tests and test results; interview notes; records having to do with hiring assignment, promotion, demotion, transfer, layoff or termination, rates of pay or other terms of compensation; and selection for training or apprenticeship.
- (b) **Failure to Preserve Records.** Demo Company, Inc., Headquarters understands that failure to preserve accurate and complete records may constitute noncompliance with the obligations. However, this presumption will not apply where failure to preserve records results from circumstances outside of the control of the company.
- (c) **Access to Records.** Demo Company, Inc., Headquarters will permit access, during normal business hours, to our places of business for the purpose of conducting on-site compliance evaluations and complaint investigations and inspecting and copying such documents as may be relevant to the matter under investigation.

SECTION XIII

AVAILABILITY OF THE AFFIRMATIVE ACTION PLAN (41 CFR 60-250.41)

This Affirmative Action Program is available for inspection to Demo Company, Inc., Headquarters employees or applicants for employment upon request. The location and hours during which the Program may be viewed shall be posted at each office.

DEFINITIONS

(41 CFR 60-250.2)

- (a) *Equal Opportunity Clause* means the contract provisions set forth in 41 CFR PART 60-250.5, Equal Opportunity Clause.
- (b) *Contract* means any Government contract or subcontract.
- (c) *Government Contract* means any agreement or modification between any contracting agency and any person for the purchase, sale or use of personal property or non-personal services.
- (d) *Contracting Agency* means any department, agency; establishment or instrumentality of the United States, including any wholly owned Government corporation, which enters into contracts.
- (e) *Contractor* means a prime contractor or subcontractor holding a contract of \$10,000, or more.
- (f) *Prime contractor* means any person holding a contract of \$10,000 subject to the Act.
- (g) *Subcontractor* means any person holding a subcontract of \$10,000 or more subject to the Act.
- (h) *Special Disabled Veteran* means a veteran who is entitled to compensation under laws administered by the Department of Veterans Affairs for a disability: (A) rated at 30 percent or more; or (B) rated at 10 to 20 percent in the case of a veteran who has been determined under 38 U.S.C. 3106 to have a serious employment handicap; or (ii) a person who was discharged or released from active duty because of a service-connected disability.
- (i) *Qualified Special Disabled Veteran* means a special disabled veteran who satisfies the requisite skills, experience, education and other job-related requirements of the employment position such veteran holds or desires and who, with or without reasonable accommodation, can perform the essential function of such position.
- (j) *Veteran of the Vietnam era* means a person who: (1) served on active duty for a period of more than 180 days and was discharged or released therefrom with other than a dishonorable discharge, if any part of such active duty occurred: (I) in the Republic of Vietnam between February 28, 1961 and May 7, 1975, or (ii) Between August 5, 1964 and May 7, 1975, in all other cases; or (2) was discharged from active duty for a service-connected disability if any part of such active duty was performed: (I) in the Republic of Vietnam between February 28, 1961 and May 7, 1975; or (ii) Between August 5, 1964 and May 7, 1975, in all other cases.
- (k) *Other Veterans*: Persons who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized.

Definitions (continued)

- (l) *Essential Functions* means fundamental job duties of the employment the special disabled veteran holds or desires. Essential functions do not include the marginal functions of the position.
- (m) *Reasonable accommodation* means (i) modifications or adjustments to a job application process that enable a qualified applicant who is a special disabled veteran to be considered for the position the applicant desires; or (ii) modifications or adjustments to the work environment or to the manner or circumstances under which the position held or desired is customarily performed.
- (n) *Undue hardship* means with respect to the provision of an 'accommodation,' significant difficulty or expense incurred by a Contractor, when considered in light of the factors such as: the nature and net cost of the accommodation needed, the overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation, the number of persons employed at such facility and the effect on expenses and resources; the overall financial resources of the contractor, the type of operation or operations of the contractor, or the impact of the accommodation upon the operation of the facility.

EQUAL OPPORTUNITY CLAUSE (41 CFR 60-250.5)

Each contracting agency and each contractor shall include the equal opportunity clause in each of its covered Government contracts or subcontracts (and modifications, renewals, or extensions, if not included in the original contract).

It is not necessary that the equal opportunity clause be quoted verbatim in the contract. The contract may be made a part of the contract by citation to 41 CFR 60-250.5(a).