

1. AFFIRMATIVE ACTION POLICY

[41 CFR §§ 60-300.44(a), 60-741.44(a)]

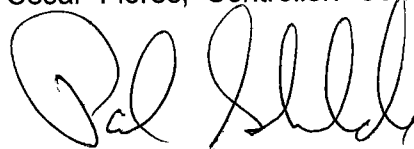
It is the policy of Penguin Air Conditioning Corporation (hereinafter "Company") not to discriminate against any employee or applicant for employment because of physical or mental disability, or protected veteran status, in regard to any position for which the employee or applicant for employment is qualified. The Company agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities and protected veterans (disabled veterans, recently separated veterans, Armed Forces service medal veterans, or active duty wartime or campaign badge veterans) without discrimination based upon their physical or mental disability or specific veteran status, in all employment practices, terms, conditions, and privileges of employment. The Company will ensure that all personnel actions are administered without regard to disability or protected veteran's status, and all employment decisions are based only on valid job requirements.

Employees and applicants shall not be subjected to harassment, intimidation, threats, coercion, or discrimination because they have engaged in, or may engage in (1) filing a complaint; (2) assisting or participating in an investigation, compliance review, hearing, or any other activity related to the administration of section 503 of the Rehabilitation Act of 1973, as amended Section 503, the affirmative action provisions of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (VEVRAA), or any other Federal, state or local law requiring equal opportunity for individuals with disabilities or protected veterans; (3) opposing any act or practice made unlawful by Section 503 or VEVRAA and their implementing regulations, or any other Federal, state or local law requiring equal opportunity for individuals with disabilities or protected veterans, or (4) exercising any other right protected by Section 503 or VEVRAA or their implementing regulations.

In carrying out this affirmative action program, the Company shall make reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability employee or applicant for employment unless the accommodation would impose undue hardship on the operation of our business.

The non-confidential portions of the affirmative action program for individuals with disabilities and protected veterans shall be available for inspection upon request by an employee or applicant for employment by making an appointment with the EEO Coordinator.

As Chief Executive Officer, I fully support our affirmative action program and am committed to the implementation of the company's equal opportunity and affirmative action policies. I have delegated overall responsibility for these policies to Cesar Flores, Controller. Complaints should first be directed to Cesar Flores, Controller.



Paul B. Shields
Chief Executive Officer