

# **PURCHASE ORDER TERMS AND CONDITIONS**

## **1. ACKNOWLEDGMENT**

a) This Order is Buyer's offer to Seller. Buyer's name is set forth on the relevant purchase order and may be any one of the affiliated companies named on the Affiliate List following these Purchase Order Terms and Conditions. Any reference to any offer to sell, quotation or proposal is solely for the purpose of incorporating the description and specifications of the goods and services contained therein to the extent that they do not conflict with those contained in this Order. Any specifications, drawings, notes, instructions, engineering notices or technical data referred to in this Order shall be deemed to be incorporated herein by reference as if fully set forth.

b) By acknowledging receipt of this Order (or by shipping goods or performing the services called for by this Order), Seller agrees to the terms and conditions contained herein. It is agreed that any sales confirmation or other additional or different terms or conditions contained in any acknowledgment of this Order by Seller are waived by Seller and shall be deemed objected to by Buyer without need of further notice of objection and shall be of no effect or under any circumstances binding upon Buyer unless accepted by Buyer in writing.

## **2. PRICE AND PAYMENT TERMS**

This Order must be billed at the prices stated on the purchase order. If no prices are stated, this Order must be billed at prices no higher than those last quoted or at the most favorable prevailing market price, whichever is lower. No price escalation may be collected by Seller unless specifically agreed to by Buyer in writing. Unless otherwise agreed to by Buyer and Seller, payment shall be due forty five (45) days from the receipt of Seller's invoice. Unless otherwise stated on the purchase order, Buyer shall be entitled to an early payment discount equal to 2% of the invoiced amount for all payments released by Buyer within ten (10) days after receipt of the invoice, not including United States federally recognized holidays.

## **3. INVOICES**

Seller should not deliver invoice with good. Invoices must be sent to the address shown on the purchase order on or after the date the applicable goods or services are delivered. All shipments must be accompanied by packing slips containing a description of the goods and Order number. Separate invoices must be rendered on each Order and on each partial shipment made against any Order and must bill in accordance with the purchase order. Seller must not consolidate on a single invoice shipments applicable to different orders. All invoices must reference the applicable purchase order number.

## **4. QUANTITIES**

Quantities of work or materials ordered hereunder may not be changed without the prior written approval of Buyer. If the total or any portion of the shipments ordered either exceeds or falls below the quantities ordered, Buyer shall have the right to reject and return, at the risk and expense of Seller, any such shipments or portion thereof.

## **5. RISK OF LOSS AND RIGHT TO DEFER OR CANCEL**

a) Unless otherwise specified by Buyer in writing, all goods are to be furnished f.o.b. point of destination. Seller shall ship by a reliable common carrier able to meet Buyer's delivery date. All goods will be packaged in suitable containers that provide protection against damage during shipment, handling and storage. Seller agrees to pay all excess charges and expenses resulting from failure to ship and route by least expensive way or as instructed by Buyer, and to reimburse Buyer for any such charges paid or expenses incurred by Buyer for Seller's failure to do so. No charges will be allowed for freight, transportation, insurance, shipping, storage,

handling, cartage, packaging, crating, or similar charges unless provided for in this Order or consented to in writing by Buyer.

b) Buyer reserves the right to change shipping and service schedules and to defer shipment or performance of services (or any portion thereof) for up to 120 days of this Order, without liability to Seller.

c) Buyer reserves the right to cancel or change this Order for goods or services at any time prior to receipt of same, without liability to Seller, other than actual out of pocket costs incurred by Seller (excluding costs of parts/goods that can be reused or sold) and fees owed for the receipt of goods or provision of services by Seller prior to such termination. Seller must provide actual invoices or other documentation in order to be reimbursed for any out of pocket costs.

d) In the event any goods are delivered or services are performed more than one (1) week prior to the delivery or completion date specified in this Order, Buyer may, at its option, accept or reject such goods or services. In the event of Buyer's acceptance, such acceptance shall not accelerate Buyer's obligations for payment.

## 6. INSPECTION AND APPROVAL

All shipments shall be received subject to Buyer's right of inspection and approval. Buyer's inspection and approval including, but without limitation, a final count of the items, (which count shall be deemed to be conclusive), shall not relieve Seller from its warranties or other obligations hereunder. Any services performed by Seller pursuant to this Order shall be subject to acceptance by Buyer to verify that the applicable Service satisfies the criteria mutually agreed to by Buyer and Seller. Buyer reserves the right to reject all or any part of defective or substituted goods or services which do not conform to Buyer's specifications. Buyer may return such goods to the Seller at Seller's risk with transportation and other incidental charges to be paid by Seller. Seller will either repair or replace the goods or re-perform the services at no charge to Buyer and cover the cost of freight for both the return and replacement of the goods. In the event of failure by Seller to correct defects in or to replace nonconforming goods or services promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the costs incurred by Buyer or resort to any other remedy available to Buyer.

## 7. WARRANTIES

a) Merchantability-Use-Description. Seller expressly warrants that all goods and services covered by this Order shall (i) conform to the specifications, drawings, samples, or other descriptions upon which this Order is based and shall not include substitutions unless specifically authorized by Buyer in this Order; (ii) be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, free from defects of any nature; (iii) perform to the satisfaction of Buyer, and (iv) not infringe upon any patent, invention rights, trademark, licenses or any other rights. If tolerances are specified in this Order, Seller warrants that the goods and services shall conform to such tolerances. At Buyer's request, Seller agrees to promptly replace or correct substitutions of defects in any goods or services not conforming to the foregoing warranties, without expense to Buyer, when notified of such nonconformity by Buyer. Seller, by accepting this Order, acknowledges it knows of the purpose for which the goods or services ordered will be used by Buyer.

b) General. The above warranties shall be in addition to and not in limitation of any other warranties, express or implied, whether ordinarily extended by Seller or established by statute or common law, course of dealing, usage of trade, or elsewhere set forth in this Order. Buyer's failure to give notice to Seller of any breach of warranty shall not discharge Seller's liability therefore so long as Buyer gives notice to Seller within a reasonable time following its discovery of such breach. All warranties, express or implied, shall run and extend to Buyer, its successors, assigns, dealers, agents, customers, and the users of its products as well as Buyer's parent company and affiliate companies.

## 8. BUYER'S RIGHT TO COVER

If Seller repudiates this Order or fails to make delivery within the time specified herein, time being of the essence in connection with this Order, (or, if no time of delivery has been specified, within a reasonable time after acceptance by Seller) or if Buyer rightfully rejects the goods or services or justifiably revokes acceptance thereof, then with respect to any and all goods or services involved, Buyer may pursue any remedy available, including, but without limitation, cancellation of this Order in whole or in part. In addition to recovering so much of the price as has been paid and irrespective of whether Buyer has cancelled this Order, Buyer may "cover" and be entitled to damages as to all goods or services affected whether or not they have been identified in this Order. Buyer may "cover" by making, in good faith and without unreasonable delay, any reasonable purchase of or contract to purchase goods or services in substitution for those due from Seller. Buyer shall recover from Seller as damages the difference between the cost of cover and the contract price together with any incidental or consequential damages. This Order may be cancelled by Buyer without liability for breach of contract in the event of petition in bankruptcy being filed by or against Seller or in the event of the appointment of any receiver.

## 9. FORCE MAJEURE

Failure of Buyer to take shipments hereunder, if occasioned by fire, explosion, flood, war, accident, interruption of or delay in transportation, labor trouble, governmental regulation, or any other circumstances of like or different character beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's offices or other business locations, shall not subject Buyer to any liability to Seller by reason thereof, but, at Buyer's option, the total quantity covered by this Order may be reduced by the extent of omitted shipments, or the specified delivery period may be extended by a time equal to that during which shipments shall be so omitted and such shipments shall then be made during the period of extension.

## 10. INDEPENDENT CONTRACTORS

This Order is solely for the purchase of goods and/or services and does not constitute Seller, as agent, employee or subcontractor of Buyer for any purpose. Seller assumes all obligations under any state or other governmental authority with respect to persons employed in the performance of services and/or production of the goods to be furnished under this Order, including but not limited to, the Patient Protection and Affordable Care Act, social security or unemployment insurance legislation, retirement benefits or workmen's compensation. In the event that Seller personnel providing services to Buyer under this Order are deemed to be Buyer's employees and, as a result, Buyer is obligated to pay any tax, penalty, assessment, or fine Seller will indemnify Buyer for all such amounts.

## 11. LIMITATION OF LIABILITY

Buyer's liability to pay any amount to Seller for any reason shall not exceed the amount Buyer has agreed to pay Seller for the goods or services. BUYER SHALL NOT BE LIABLE TO SELLER FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES OR COMMERCIAL LOSSES ARISING FROM THE PURCHASE OF GOODS AND/OR SERVICES. THIS IS TRUE REGARDLESS OF THE CAUSE OF ACTION OR THE FORM OF THE CLAIM FOR DAMAGES, AND EVEN IF BUYER IS INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.

## 12. PROPRIETARY INFORMATION AND OWNERSHIP OF DELIVERABLES

(a) Buyer's "Confidential and Proprietary Information" includes, without limitation, its business plans; business strategies; marketing plans; industry and competitive information; technology, product and proposed product information; pricing and cost data arrangements and agreements with Buyer, distributors, customers, suppliers, licensors and licensees; information relating to its customer account base; information concerning employees

and financial information. All such Confidential and Proprietary information shall remain the property of Buyer, shall be carefully preserved and maintained by Seller at its expense and shall be promptly returned to Buyer or satisfactorily accounted for upon completion of this Order or upon Buyer's written demand.

(b) Seller agrees that it shall protect and maintain the privacy and security of any Personal Data that Seller obtains or to which Seller has access, consistent with Buyer policies and in accordance with all applicable federal, state and local privacy and security laws. "Personal Data" means any information that refers or relates to an identified or identifiable individual, including but not limited to first and last name, home or other physical address, telephone number, e-mail address or other online contact information, Social Security number or similar governmental identifier, any biometric data, date of birth, consumer, health, financial, or any other information relating to an individual that is combined with any of the above.

(c) Seller will not disclose Personal Data to any third party (including, but not limited to Seller's subsidiaries and affiliates and any person or entity acting on behalf of Seller) unless with respect to each disclosure: (i) the disclosure is necessary in order to carry out Seller's obligations under this Order; (ii) such third party is bound by the same provisions and obligations set forth in this Order; (iii) Seller has received prior written consent from Buyer; and (iv) Seller shall remain responsible for any breach of the obligations set forth in this Order and any violation of any privacy or data protection law by such third party to the same extent as if Seller caused such breach or violation.

(d) Seller shall maintain commercially appropriate and reasonable technical and organizational security measures (consistent with the type of Personal Data being processed and the services provided by Seller), which shall include physical, electronic and procedural safeguards to protect Personal Data supplied to Seller against any Data Security Breach. "**Data Security Breach**" means the loss or misuse of Personal Data, the inadvertent, unauthorized, and/or unlawful processing, disclosure, access, alteration, corruption, transfer, sale or rental, destruction, or use of Personal Data, or any other act or omission that compromises the security, confidentiality, or integrity of Personal Data.

(e) Seller will notify Buyer immediately in the event of any failure to comply with its data protection obligations, wrongful or unintentional disclosure of Personal Data, or any other Data Security Breach (but in no event later than three (3) calendar days from such breach) and, at Seller's cost and expense, assist and cooperate with Buyer concerning any disclosures to affected parties, government or regulatory bodies, and other remedial measures as requested by Buyer or as required under any applicable privacy or data protection law.

(f) All materials, products, deliverables developed or prepared for Buyer by Seller including but not limited to all information, reports, studies, object or source code, flow charts, diagrams and other tangible or intangible material of any nature whatsoever produced by or as a result of any of the services rendered by Seller and all copies of any of the foregoing are the sole and exclusive property of Buyer and all title and interest therein shall vest in Buyer and shall be deemed to be a work made for hire and made in the course of the services rendered.

### 13. GOVERNMENTAL REGULATIONS

Seller warrants that all products delivered pursuant to this Order shall have been produced, sold, priced, and delivered to Buyer in compliance with all federal, state, municipal and local laws, rules, regulations, ordinances, and directions existing at the time of delivery. In the event Seller is a supplier of goods or services under any federal contract, Seller agrees to comply with the applicable terms and conditions set forth under Exhibit A. Seller agrees, upon request, to furnish Buyer with appropriate certificates showing such compliance. Seller agrees to indemnify, defend and hold harmless Buyer, its affiliates, corporate parents, subsidiaries and partners, and all of their agents, attorneys and employees, from and against any and all claims, demands, actions, liabilities, judgments, losses, indirect, consequential or punitive damages, expenses, costs, penalties, and fines, including attorneys' fees, for injury or alleged injury of any kind to any persons, including death, and/or for damage or alleged damage of any kind to any property arising from or in any way connected with any violation or alleged violation of any law, order or regulation.

#### 14. CHANGES

Buyer may at any time, by written order, make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this Order, whether changed or not changed by any such order, an equitable adjustment shall be made in the price or delivery schedule, or both, and this Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted in writing within thirty (30) days of receipt by Seller of the notification of change; Buyer may, if it decides that the facts justify such action, receive and act upon any such claim asserted at any time prior to final payment under this Order; provided, however, that nothing in this clause shall excuse Seller from proceeding with this Order as changed.

#### 15. WAIVER-MODIFICATIONS

Any failure of Buyer to enforce or require strict performance by Seller of any terms or conditions of this Order shall not constitute a waiver thereof by Buyer, and Buyer may at any time avail itself of the remedies Buyer may have for any breach of the terms hereof. This Order is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of its terms. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms set forth herein. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement shall not be relevant or admissible to determine the meaning of this Order even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity to make objection. No representations, understandings, or agreements have been made or relied upon in the making of this Order other than those specifically set forth herein. This Order shall be modified only by a writing signed by both parties or their duly authorized agents except that Buyer reserves the right unilaterally to correct any clerical or typographical errors.

#### 16. CHOICE OF LAW

The validity, construction and enforcement of this agreement shall be determined and governed by the internal laws of the State of Illinois.

#### 17. HOLD HARMLESS AND RELEASE

a) Seller hereby agrees to indemnify, defend and hold harmless Buyer, its affiliates, agents and employees, and any end-users against all liabilities, obligations, claims, loss, damages, fines, penalties, and expense caused or created by Seller, its subcontractors, or the agents and employees of either, whether negligent or not, arising directly or indirectly out of or incident to the performance of this Order and for injuries or alleged injuries arising out of the use by Buyer or others of the goods supplied hereunder.

b) Seller hereby agrees to indemnify, defend and hold harmless Buyer against any legal action brought against Buyer based on a claim that the goods or services supplied by Seller infringes a United States patent, copyright, trademark or trade secret of a third party, and Seller will pay any final judgment and all costs, damages or attorney's fees against Buyer in any such action attributable to any such claim or incurred by Buyer through settlement of such claim. Should the goods or services become, or in Seller's opinion be likely to become, the subject of any such infringement claim, Buyer shall permit Seller, at Seller's option and expense, to (i) procure for Buyer the right to continue using the goods and/or services, or (ii) replace or modify the goods and/or services so that they become non-infringing and maintain the same functionality, or (iii) terminate the right to use the goods and/or services, whereupon Seller will refund to Buyer all fees paid by Buyer for such goods and/or services.

c) Seller agrees that, if this Order calls for any work to be done on premises owned, leased or occupied by Buyer (i) Seller shall indemnify and save harmless Buyer and the owner of such premises against any liability to subcontractors or other third persons under the mechanics, materialmen, labor or other applicable lien laws of the state in which the work is to be performed, and (ii) the last payment called for hereunder may, at Buyer's option, be made only after Seller shall have first delivered to Buyer an executed contractor's release.

## 18. AFFIRMATIVE ACTION

As a condition of doing business with Buyer, Seller must be in compliance with applicable federal regulations on affirmative action implementing Executive Order 11246 as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended and Executive Order 13672. Buyer and Seller hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 60-250.5(a), 60-300.5(a), and 60-741.5(a), by reference if applicable. The Executive Order 13496: Notification of Employee Rights Under Federal Labor Laws set forth in 29 Code of Federal Regulations Part 471, Appendix A to Subpart A is hereby incorporated by reference. **Buyer and Seller shall abide by the requirements of 41 CFR § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. Buyer and Seller shall abide by the requirements of 41 CFR § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.**

## 19. RIGHT OF OFFSET

Seller agrees that in the event it fails to meet any obligation relating to the provision of goods and/or services, Buyer may immediately offset any amounts due Seller against any amounts Buyer or any of its affiliates owes Seller (or Seller's affiliates) under any other Agreement. This provision shall apply regardless of the filing of any bankruptcy or receivership proceeding by Seller. For purposes of this provision, "affiliates" is defined as: (i) Any parent corporation or other controlling entity of Buyer; (ii) Any subsidiary corporation or other entity controlled by Buyer; (iii) Any other corporation or entity which is owned or controlled by a parent, a subsidiary, or other entity which is similarly affiliated with Buyer; and (iv) Any corporation or other entity which acquires all or a substantial portion of Buyer's assets and which continues the general business conducted by Buyer.

## 20. TAXES

Buyer will have no responsibility for taxes based upon Seller's net income. Seller will invoice Buyer for the amounts of any taxes Seller is legally obligated to collect and Buyer will pay such amounts to Seller upon receipt of such invoice and in accordance with Buyer's payment policy.

## 21. ELECTRONIC DOCUMENTS

Buyer hereby gives notice of its right to convert this Order and any related documents to electronic format and retain this Order solely in an electronic format. Buyer may provide this Order in electronic form or may provide a reproduction of this Order from its electronic copy in the event of any dispute regarding the rights and obligations of the Buyer and Seller under this Order. Buyer and Seller agree that any document in electronic format or any document reproduced from an electronic format shall not be denied legal effect, validity, or enforceability and shall meet any requirement to provide an original or hard copy.

## 22. INSURANCE

Seller shall have adequate insurance at all times at its own expense which coverages shall include but are not limited to the following: Commercial Workers' Compensation Insurance as required by law; Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000/ \$2,000,000 aggregate covering personal injury, products liability and property damage; Employer's Liability Insurance with a minimum combined single limit of \$1,000,000; and Commercial Automobile Liability Insurance for any motor vehicle, covering bodily injury and property damage with a minimum combined single limit of \$1,000,000 per occurrence. Seller shall provide Buyer with certificates of insurance evidencing the required coverage. The foregoing liability insurance shall name Buyer as an additional insured and the certificates shall evidence such on their face.

## TDS Affiliates List

***Telephone and Data Systems, Inc.***

30 North LaSalle  
Suite 4000  
Chicago, IL 60602

***Suttle-Straus, Inc.***

1000 Uniek Drive  
Waunakee, WI 53597

***OneNeck IT Solutions LLC (1)***

525 Junction Road  
Madison, WI 53717

***TDS Telecommunications LLC***

525 Junction Road  
Madison, WI 53717

***United States Cellular Corporation***

8410 W. Bryn Mawr  
Chicago, IL 60631

***USCC Distribution Co., LLC***

8410 W. Bryn Mawr  
Chicago, IL 60631

***USCC Services, LLC***

8410 W. Bryn Mawr  
Chicago, IL 60631

***USCC Purchase, LLC***

8410 W. Bryn Mawr  
Chicago, IL 60631

***TDS Broadband LLC (2)***

525 Junction Road  
Madison, WI 53717

***(1) TDS' investments in OneNeck Center Holdings, LLC are under this business unit.***

***(2) TDS' cable investments in Baja and more recently the operating assets of Bend are under this business unit.***

TDS Affiliates List  
Updated November 9, 2017



**EXHIBIT A**

**COMBATING TRAFFICKING IN PERSONS**

**A. Definitions.** As used in this clause:

**Agent** means any individual, including a director, an officer, an employee, or an independent contractor, authorized to act on behalf of the organization.

**Coercion** means:

- (1) Threats of serious harm to or physical restraint against any person;
- (2) Any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or
- (3) The abuse or threatened abuse of the legal process.

**Commercial sex act** means any sex act on account of which anything of value is given to or received by any person.

**Commercially available off-the-shelf (COTS) item** means:

- (1) Any item of supply (including construction material) that is:
  - (i) A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);
  - (ii) Sold in substantial quantities in the commercial marketplace; and
  - (iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and
- (2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

**Debt bondage** means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

**Employee** means an employee of the Contractor directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

**Forced Labor** means knowingly providing or obtaining the labor or services of a person:

- (1) By threats of serious harm to, or physical restraint against, that person or another person;
- (2) By means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or
- (3) By means of the abuse or threatened abuse of law or the legal process.

**Involuntary servitude** includes a condition of servitude induced by means of:

- (1) Any scheme, plan, or pattern intended to cause a person to believe that if the person did not enter into or continue in such conditions, that person or another person would suffer serious harm or physical restraint;  
or
- (2) The abuse or threatened abuse of the legal process.

**Severe forms of trafficking** in persons means:

- (1) Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- (2) The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

**Sex trafficking** means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

**Subcontract** means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

**Subcontractor** means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.

**United States** means the 50 States, the District of Columbia, and outlying areas.

B. **Policy.** The United States Government has adopted a policy prohibiting trafficking in persons including the trafficking-related activities of this clause. Contractors, contractor employees, and their agents shall not:

- (1) Engage in severe forms of trafficking in persons during the period of performance of the contract;
- (2) Procure commercial sex acts during the period of performance of the contract;
- (3) Use forced labor in the performance of the contract;
- (4) Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- (5)
  - (i) Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work;
  - (ii) Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- (6) Charge employees recruitment fees;

- (7) (i) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment:
  - a. For an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on a U.S. Government contract or subcontract (for portions of contracts performed outside the United States); or
  - b. For an employee who is not a United States national and who was brought into the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee (for portions of contracts performed inside the United States); except that:
    - (ii) The requirements of paragraphs (b)(7)(1) of this clause shall not apply to an employee who is-
      - a. Legally permitted to remain in the country of employment and who chooses to do so; or
      - b. Exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation;
    - (iii) The requirements of paragraph (b)(7)(i) of this clause are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. The contractor shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity. For example, the contractor shall not only offer return transportation to a witness at a time when the witness is still needed to testify. This paragraph does not apply when the exemptions at paragraph (b)(7)(ii) of this clause apply.
- (8) Provide or arrange housing that fails to meet the host country housing and safety standards; or
- (9) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Such written work document shall be in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

C. **Contractor requirements.** The Contractor shall:

- (1) Notify its employees and agents of:
  - (i) The United States Government's policy prohibiting trafficking in persons, described in paragraph (b) of this clause; and
  - (ii) The actions that will be taken against employees or agents for violations of this policy. Such actions for employees may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and
- (2) Take appropriate action, up to and including termination, against employees, agents, or subcontractors that violate the policy in paragraph (b) of this clause.

D. **Notification.**

- (1) The Contractor shall inform the Contracting Officer and the agency Inspector General immediately of:
  - (i) Any credible information it receives from any source (including host country law enforcement) that alleges a Contractor employee, subcontractor, subcontractor employee, or their agent has engaged in conduct that violates the policy in paragraph (b) of this clause (see also 18 U.S.C. 1351, Fraud in Foreign Labor Contracting, and 52.203-13(b)(3)(i)(A), if that clause is included in the solicitation or contract, which requires disclosure to the agency Office of the Inspector General when the Contractor has credible evidence of fraud); and
  - (ii) Any actions taken against a Contractor employee, subcontractor, subcontractor employee, or their agent pursuant to this clause.
- (2) If the allegation may be associated with more than one contract, the Contractor shall inform the contracting officer for the contract with the highest dollar value.

E. **Remedies.** In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraphs (c), (d), (g), (h), or (i) of this clause may result in:

- (1) Requiring the Contractor to remove a Contractor employee or employees from the performance of the contract;
- (2) Requiring the Contractor to terminate a subcontract;
- (3) Suspension of contract payments until the Contractor has taken appropriate remedial action;
- (4) Loss of award fee; consistent with the award fee plan, for the performance period in which the Government determined Contractor non-compliance;
- (5) Declining to exercise available options under the contract;
- (6) Termination of the contract for default or cause, in accordance with the termination clause of this contract; or
- (7) Suspension or debarment.

F. **Mitigating and aggravating factors.** When determining remedies, the Contracting Officer may consider the following:

- (1) *Mitigating factors.* The Contractor had a Trafficking in Persons compliance plan or an awareness program at the time of the violation, was in compliance with the plan, and has taken appropriate remedial actions for the violation, that may include reparation to victims for such violations.
- (2) *Aggravating factors.* The Contractor failed to abate an alleged violation or enforce the requirements of a compliance plan, when directed by the Contracting Officer to do so.

G. **Full cooperation.**

- (1) The Contractor shall, at a minimum:

- (i) Disclose to the agency Inspector General information sufficient to identify the nature and extent of an offense and the individuals responsible for the conduct;
  - (ii) Provide timely and complete responses to Government auditors' and investigators' requests for documents;
  - (iii) Cooperate fully in providing reasonable access to its facilities and staff (both inside and outside the U.S.) to allow contracting agencies and other responsible Federal agencies to conduct audits, investigations, or other actions to ascertain compliance with the Trafficking Victims Protection Act of 2000 (22 U.S.C. chapter 78), E.O. 13627, or any other applicable law or regulation establishing restrictions on trafficking in persons, the procurement of commercial sex acts, or the use of forced labor; and
  - (iv) Protect all employees suspected of being victims of or witnesses to prohibited activities, prior to returning to the country from which the employee was recruited, and shall not prevent or hinder the ability of these employees from cooperating fully with Government authorities.
- (2) The requirement for full cooperation does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not:
- (i) Require the Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine;
  - (ii) Require any officer, director, owner, employee, or agent of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; or
  - (iii) Restrict the Contractor from:
    - a. Conducting an internal investigation; or
    - b. Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.

**H. *Compliance plan.***

- (1) This paragraph (h) applies to any portion of the contract that:
- (i) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and
  - (ii) Has an estimated value that exceeds \$500,000.
- (2) The Contractor shall maintain a compliance plan during the performance of the contract that is appropriate:
- (i) To the size and complexity of the contract; and
  - (ii) To the nature and scope of the activities to be performed for the Government, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.
- (3) ***Minimum requirements.*** The compliance plan must include, at a minimum, the following:
- (i) An awareness program to inform contractor employees about the Government's policy prohibiting trafficking-related activities described in paragraph (b) of this clause, the activities prohibited, and the actions that will be taken against the employee for violations. Additional information about Trafficking in Persons and examples of awareness programs can be found at the Web site for the

Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/tjllipt/>.

- (ii) A process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking in persons, including a means to make available to all employees the hotline phone number of the Global Human Trafficking Hotline at 1-844-888-FREE and its email address at [help@befree.org](mailto:help@befree.org).
- (iii) A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employee, and ensures that wages meet applicable host-country legal requirements or explains any variance.
- (iv) A housing plan, if the Contractor or subcontractor intends to provide or arrange housing that ensures that the housing meets host-country housing and safety standards.
- (v) Procedures to prevent agents and subcontractors at any tier and at any dollar value from engaging in trafficking in persons (including activities in paragraph (b) of this clause) and to monitor, detect, and terminate any agents, subcontracts, or subcontractor employees that have engaged in such activities.

(4) **Posting.**

- (i) The Contractor shall post the relevant contents of the compliance plan, no later than the initiation of contract performance, at the workplace (unless the work is to be performed in the field or not in a fixed location) and on the Contractor's Web site (if one is maintained). If posting at the workplace or on the Web site is impracticable, the Contractor shall provide the relevant contents of the compliance plan to each worker in writing.
- (ii) The Contractor shall provide the compliance plan to the Contracting Officer upon request.

(5) **Certification.** Annually after receiving an award, the Contractor shall submit a certification to the Contracting Officer that:

- (i) It has implemented a compliance plan to prevent any prohibited activities identified at paragraph (b) of this clause and to monitor, detect, and terminate any agent, subcontractor or subcontractor employee engaging in prohibited activities; and
- (ii) After having conducted due diligence, either:
  - a. To the best of the Contractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents is engaged in any such activities; or
  - b. If abuses relating to any of the prohibited activities identified in paragraph (b) of this clause have been found, the Contractor or subcontractor has taken the appropriate remedial and referral actions.

I. **Subcontracts.**

(1) The Contractor shall include the substance of this clause, including this paragraph (i), in all subcontracts and in all contracts with agents. The requirements in paragraph (h) of this clause apply only to any portion of the subcontract that:

- (i) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and
- (ii) Has an estimated value that exceeds \$500,000.

- (2) If any subcontractor is required by this clause to submit a certification, the Contractor shall require submission prior to the award of the subcontract and annually thereafter. The certification shall cover the items in paragraph (h)(5) of this clause.
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