

AAFES Flowdown Clauses

The below clauses are set forth in the Army & Air Force Exchange Service (“AAFES”) Supplier Requirements or the Exchange Retail Purchase Order Terms and Conditions, are hereby incorporated into the purchase order or agreement in which they are referenced (the “Purchase Order”), and shall predominate in the event of conflict with any other provision of the unless specifically noted. In order to make these clauses applicable to the Purchase Order, unless otherwise specified herein, “Government” or “Exchange” shall mean Atlantic Diving Supply, Inc. (“ADS”), “Contractor” or “Supplier” shall mean the entity from which ADS is purchasing products and/or services (the “Seller”), “Contract” shall mean the Purchase Order, and “Contracting Officer” shall mean the ADS Purchasing Representative. The terms “Government”, “Exchange”, and “Contracting Officer” do not change (1) when a right, act, authorization, or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or the contracting officer’s duly authorized representative; (2) when access to proprietary financial information or other proprietary data is required; and (3) when title to property is to be transferred directly to the Government.

CONVICT LABOR (SEP 91)

In connection with the performance of work under this contract, the Supplier agrees not to employ any person undergoing sentence of imprisonment, except as provided by Public Law 89-176, September 10, 1985 (18 U.S.C. 4082[c][2]) and Executive Order 11755, December 29, 1973.

ENVIRONMENTAL PROTECTION (AUG 09)

a. This clause will apply to any contract in excess of \$100,000, and indefinite quantity contracts estimated to exceed \$100,000 in one year; however, it will not apply to use of facilities located outside the United States.

b. Unless this contract is exempt, by acceptance of this contract, the Supplier (and, where appropriate, the Sub-Supplier) stipulates:

(1) Any facility to be used in the performance of any nonexempt contract or subcontract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities as of the date of contract award.

(2) Its agreement to comply with all requirements of Section 114 of the Air Act and Section 308 of the Water Act relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Sections 114 and 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder.

(3) As a condition of award of contract, the Supplier shall promptly notify the Contracting Officer of the receipt of any communication from the Director, Office of Federal Activities, U.S. EPA or delegate, indicating a facility to be used for the contract is under consideration to be listed on the EPA List of Violating Facilities.

(4) Its agreement to include the criteria and requirements in subparagraphs 40b(1) through 40b(4) in every nonexempt subcontract, and to take such actions the government may direct to enforce such provisions.

RESTRICTIONS ON PURCHASES OF FOREIGN GOODS (MAR 12)

- a. The Supplier will not acquire for use in the performance of this contract any merchandise, equipment, supplies or services originating from, processed in or transported from or through the countries prohibited from commerce by the U.S. Government. A current list of restricted countries is available on the U.S. Department of Treasury webpage at <http://www.treasury.gov/>. This restriction includes merchandise, equipment, supplies or services from any other country that is restricted by law, regulation or executive order at any time during performance of the contract.
- b. The Supplier agrees to insert the provisions of this clause, including this paragraph, in its subcontracts.

COMBATING TRAFFICKING IN PERSONS (NOV 09)

- a. Definitions – As used in this clause:

(1) **Coercion**

- Threats of serious harm to or physical restraint against any person.
- 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.
- The abuse or threatened abuse of the legal process.
- Withholding any document (e.g., passport, visa, identification, etc.) that prevents or restricts the person from moving freely.

(2) **Commercial sex act** – Any sex act on account of which anything of value is given to or received by any person.

(3) **Debt bondage** – The status or condition of a debtor arising from a pledge by the debtor of his/her personal services, or of those of a person under his/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.

(4) **Employee** – An employee of the Supplier directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

(5) **Forced labor** – Knowingly providing or obtaining the labor or services of a person:

- By threats of serious harm to, or physical restraint against, that person or another person.
- 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.
- By means of the abuse or threatened abuse of law or the legal process.

(6) **Involuntary servitude** includes a condition of servitude induced by means of:

- 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.
- The abuse or threatened abuse of the legal process.

(7) **Severe forms of trafficking in persons:**

- 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.
- 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.

(8) **Sex trafficking** – The recruitment, harboring, transportation, provision or obtaining of a person for the purpose of a commercial sex act.

b. **Policy** – The U.S. Government and the Exchange have adopted a zero tolerance policy regarding trafficking in persons. Suppliers and Supplier employees 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.

c. **Supplier requirements** – The Supplier shall:

- (1) Notify its employees of:
 - The U.S. Government's and the Exchange's zero tolerance policy described in paragraph b. of this clause.
 - The actions that will be taken against employees for violations of this policy. Such actions may include, but are not limited to, removal from the contract, reduction in benefits or termination of employment.

(2) Take appropriate action, up to and including termination, against employees or Sub-Suppliers that violate the policy in paragraph b. of this clause.

d. **Notification** – The Supplier shall inform the Contracting Officer immediately of:

- (1) Any information it receives from any source (including host country law enforcement) that alleges a Supplier employee, Sub-Supplier or Sub-Supplier employee has engaged in conduct that violates this policy.

(2) Any actions taken against Supplier employees, Sub-Suppliers or Sub-Supplier employees pursuant to this clause.

e. Remedies – In addition to other remedies available to the Exchange, the Supplier's failure to comply with the requirements of paragraphs 38c, d or f of this clause may result in:

(1) Requiring the Supplier to remove a Supplier employee or employees from the performance of the contract.

(2) Requiring the Supplier to terminate a subcontract.

(3) Suspension of contract or fee payments.

(4) Loss of award fee, consistent with the award fee plan, for the performance period in which the Exchange determined Supplier non-compliance.

(5) Termination of the contract for default or cause, in accordance with the termination clause of this contract.

(6) Suspension or debarment.

f. Subcontracts – The Supplier shall include the substance of this clause, including this paragraph, in all subcontracts.

g. Mitigating Factor – The Contracting Officer may consider whether the Supplier had a Trafficking in Persons awareness program at the time of the violation as a mitigating factor when determining remedies. Additional information about Trafficking in Persons and examples of awareness programs can be found at the website for the Department of State's Office to Monitor and Combat Trafficking in Persons: U.S. Department of State.

2019 NDAA SECTION 889 REPRESENTATION

By virtue of its execution of the Contract or the commencement of performance pursuant to the Contract, Contractor represents, warrants and covenants that Contractor, during performance of the Contract, will not provide telecommunications and video surveillance equipment or services prohibited in Section 889(a)(1)(A) of the 2019 NDAA (Section A).

AAFES SOCIAL RESPONSIBILITY AND LABOR STANDARDS

(1) **Child Labor** – Suppliers and/or sub-Suppliers shall not employ any person under the age of 14 years, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age will apply.

(2) **Forced Labor** – Suppliers and/or sub-Suppliers shall not use forced or other compulsory labor in the manufacture of products. Suppliers and/or sub-Suppliers shall not require employees to lodge "deposits" or identity papers upon commencing employment with the company.

(3) **Working Hours** – Suppliers and/or sub-Suppliers shall comply with applicable local laws on maximum daily/weekly working hours.

- (4) **Compensation and Benefits** – Suppliers and/or sub-Suppliers shall ensure that wages paid for a standard workweek are consistent with local/national laws.
- (5) **Disciplinary Practice** – Suppliers and/or sub-Suppliers shall not engage in or support the use of corporal punishment, mental or physical coercion, verbal abuse or withholding passports or travel documents.
- (6) **Freedom of Association and Right to Collective Bargaining** – Suppliers and/or sub-Suppliers shall respect the right of all employees to form and join trade unions of their choice, consistent with prevailing local/national law, and to bargain collectively, without any activity that impedes or suppresses freedom of association. Suppliers and/or sub-Suppliers shall ensure that representatives of such employees are not subject to discrimination and that such representatives have access to their members in the workplace.
- (7) **Discrimination** – Suppliers and/or sub-Suppliers shall be consistent with local laws regarding discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, maternity status, union membership or political affiliation.
- (8) **Safe and Healthy Workplace** – Suppliers and/or sub-Suppliers shall provide their employees with a safe and healthy workplace in compliance with all local laws.