

P & N Machine Co., Inc.

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Combating Trafficking in Persons Compliance Plan

This document describes the program requirements and processes established and implemented by P & N Machine Company, Inc. (hereafter referred to as 'the Company') to comply with FAR 52.222-50, Combating Trafficking in Persons. The scope of the plan includes the operations and activities of the Company as well as those subcontractors, suppliers, and agents in its supply chain performing work on or supplying material for any P & N Machine Company, Inc. purchase order that references FAR 52.222-50. This Plan is maintained by the P & N Machine Company, Inc., located at 12450 Windfern Rd, Houston, TX 77064.

1. Human Trafficking Policy

The United States Government has adopted a policy prohibiting:

- engaging in severe forms of trafficking in persons;
- procuring commercial sex acts;
- using trafficked labor;
- destroying, concealing, confiscating, or otherwise denying an employee access to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- using 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 employee, 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 costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
- Using recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- charging employees recruitment fees (as defined by the FAR);
 - failing to pay return transportation costs upon the end of employment, for certain employees who are not nationals of the country in which the work is taking place (with some exceptions as specified under FAR 52.222.50(b)(7));
 - Providing or arranging housing that fails to meet the host country housing and safety standards; and
 - If required by law or contract, failing to provide an employment contract, recruitment agreement, or other legally required work document in writing in a language the employee understands, containing a detailed description of the terms and conditions of employment, at least five days before an employee relocates to perform work.

The Company strictly prohibits its employees, subcontractors, suppliers, and agents from the above listed activities.

2. Employee Awareness Program

The Company has developed and implemented an awareness program to inform all employees about the FAR's prohibitions against trafficking-related activities described in FAR 52.222-50(b), the activities prohibited, and the actions that will be taken against the employee for violations. Employees are trained on the introduction and Sections 1 – 3 of this document.

Penalties against employees, agents, subcontractors, or suppliers that violate this plan or engage in prohibited activities described in Section 1 will include appropriate action, up to and including termination, as well as notification of government agencies and/or law enforcement, as appropriate.

3. Employee Reporting

All employees of the Company or its suppliers, subcontractors, and agents are encouraged to report any activity or condition that may violate the Company Human Trafficking Policy or the requirements of FAR 52.222-50 confidentially and without retaliation, by emailing info@pandnmachine.com from an anonymous email address or by sending postal mail correspondence to: "P & N Machine Company, Inc., Attn: Human Trafficking Reporting, 12450 Windfern Rd., Houston, TX 77064". Reports may also be made directly to a Company Officer. The reporting system is also available for employees to report any workplace concern or potential policy violation. All reported concerns will be promptly investigated by Company Management and where employees disagree with the results, they may appeal the decision to Company Management.

The Company will interview and protect from retaliation all employees suspected of being victims of or witnesses to alleged violations of the Company Human Trafficking Policy and FAR 52.222-50. This will be done prior to the employee returning to his or her country of origin if the employee is located outside their country of origin at the time of the incident being reported. Additionally, the Company will not interfere with employees cooperating fully with government authorities.

Employees may also report their concerns directly to the Global Human Trafficking Hotline at 1-844-888-FREE or its email address at help@befree.org. The Company reporting process and the Global Human Trafficking hotline and email address have been made available to all employees in the Employee Awareness Program and via postings in all worksites.

4. Recruitment and Wage Plan

The Company and its suppliers and subcontractors shall only use recruitment companies that have undergone due diligence and have employees trained and knowledgeable on the requirements of the Company Human Trafficking Policy, FAR 52.222-50, and all other applicable country and local legal requirements.

The Company strictly prohibits misleading or fraudulent recruiting practices during the recruitment of both local and migrant employees. All labor recruiters working for or with the Company and its suppliers and subcontractors shall provide complete and accurate information to all employees regarding the assignment they are being offered (see below). The Company will monitor and may audit subcontractors and suppliers, including labor recruiters without advance notice, and requires remediation of all identified nonconformities. Failure to properly address audit issues will have business consequences, up to and including termination and disbarment from future contracts. Any violations of FAR requirements could result in the Company terminating the contract of a subcontractor or agent. Additionally, the Company will report all identified violations of FAR 52.222-50 (b) and remedial action(s) taken, as well any credible information it receives from any source that alleges conduct in violation of FAR 52.222-50 (b) to the Contracting Officer.

Where such contract is required by law or contract, all subcontractors and suppliers to the Company must provide all employees with an employment contract/employment agreement in writing, containing a detailed

description of the terms and conditions of their employment. Contracts shall be written in a language that the employee understands and are provided to them for review and signature at least five days prior to departure from their country of origin. Employment contracts should satisfy the requirements of FAR and all applicable laws of the host country and country of origin.

The Company reviews and approves the employment contracts used by its labor recruiters. The contracts used by its suppliers and subcontractors are subject to audit by the Company without advance notice.

5. Housing Plan

The Company does not provide or arrange housing for employees. If suppliers and subcontractors provide or arrange housing for employees, they shall ensure the housing meets host country housing and safety standards and complies with FAR. They shall also require their suppliers and subcontractors who provide or arrange housing for employees to ensure the housing meets host country housing and safety standards and complies with FAR.

6. Violation Monitoring, Reporting and Remediation

The Company has established a performance monitoring, detection, and remediation program to identify and address on an ongoing basis, any violations of the requirements of FAR 52.222-50(b) and the Company Human Trafficking Policy. In the event of the receipt of credible information alleging violation of FAR 52.222-50(b), the Company will immediately:

- notify the Contracting Officer and the agency Inspector General of the specific nature of the activity, including specific remedial actions taken,
- and take appropriate corrective and preventive action, up to and including the dismissal of Company employees and termination of contracts with subcontractors, suppliers and agents.

All subcontractors and suppliers of the Company are required to fully cooperate with Company staff, contracting agencies and other Federal agencies to conduct audits and investigations on compliance with the provisions of FAR 52.222-50(b), Combating Trafficking in Persons. Any credible indication of noncompliance will be investigated, reported and addressed accordingly.

Failure to comply with the requirements of the FAR 52.222-50 is grounds for the Company to take any and all appropriate actions, up to and including immediate termination of that supplier's contract with the Company.

7. Posting

This plan shall be posted:

- On the Company's website
- In hard copy form at all company facilities where work is performed.