



STATEMENT OF COMPANY POLICY
Defense Policy

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I. PURPOSE

Pursuant to Cleveland BioLabs, Inc. (CBLI or Company) status as a contractor for the United States Department of Defense, CBLI personnel are required to comply with the provisions contained in Federal Acquisition Regulation [52.222-50](#), “Combatting Trafficking in Persons” (the “FAR”) and Defense Federal Acquisition Regulation [252.203-7002](#), “Requirement to Inform Employees of Whistleblower Rights” and subpart [203.9](#) of the Defense Federal Acquisition Regulation Supplement (the “DFAR”).

II. TRAFFICKING IN PERSONS COMPLIANCY POLICY

a. POLICY STATEMENT

We are opposed to human trafficking and forced labor in any form. We are committed to working to mitigate the risk of human trafficking and forced labor in all aspects of our business. The US Government has a zero-tolerance policy regarding any Government employees and contractor personnel and their agents engaging in any severe form of trafficking in persons.

Pursuant to the FAR, government contractors, contractor employees, subcontractors, subcontractor employees, and their agents are prohibited from:

- Engaging in severe forms (i.e. using force, fraud or coercion) of trafficking in persons during the period of performance of a contract;
- Procuring commercial sex acts during the period of performance of a contract;
- Using forced labor in the performance of a contract;
- Destroying, concealing, confiscating, or otherwise denying access by an employee to the employee’s identity or immigration documents, such as passports or drivers’ licenses, regardless of issuing authority;
- Using misleading or fraudulent recruiting 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 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 recruitment takes place;
- Charging employees recruitment fees;
- Failing to provide return transportation or pay for the cost of return transportation upon the end of employment, for an employee who was not a national of the country in which the work is taking place and who was brought to that country for the purposes of working



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on a U.S. Government contract, subcontract or portion(s) of contracts or subcontracts performed outside the United States; or

- Failing to provide return transportation or pay for the costs of return transportation upon the end of employment, 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 and subcontracts performed inside the United States;
- Providing or arranging housing that fails to meet the host country housing and safety standards; or
- If required by law or contract, failing to provide an employment contract, recruitment agreement or other required work document in writing 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.

Any violation of the FAR or this policy could result in disciplinary action which may include but are not limited to, an employee's removal from the contract or termination of employment.

Additional information about Trafficking in Persons can be found at the website for the Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/j/tip/>.

a. DEFINED TERMS

"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 and sex trafficking.

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

b. ROLES AND RESPONSIBILITIES

Employees may, and have a responsibility to, report, in good faith, without fear of retaliation and subject to protection under 10 U.S.C. 2409, from reprisal for whistleblowing on trafficking in persons violations, any activity that violates the FAR or this policy to their management, the Company's Chief Financial Officer, or to the Global Human Trafficking Hotline at 1-844-888-FREE or at help@befree.org or the Department of Defense at www.dodig.mil/hotline/ or toll free at 800-424-9098.

III. DEFENSE WHISTLEBLOWER POLICY



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a. POLICY STATEMENT

CBLI and its subcontractors shall not discharge, demote, or otherwise discriminate against an employee as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Department of Defense (“DoD”) contract, a gross waste of DoD funds, an abuse of authority relating to a DoD contract, a violation of law, rule, or regulation related to a DoD contract (including the competition for or negotiation of a contract), or a substantial and specific danger to public health or safety.

This policy covers disclosures to any of the following:

- (i) *a Member of Congress or a representative of a committee of Congress;*
- (ii) *an Inspector General that receives funding from or has oversight over contracts awarded for or on behalf of the DoD;*
- (iii) *the Government Accountability Office;*
- (iv) *a DoD employee responsible for contract oversight or management;*
- (v) *an authorized official of the Department of Justice or other law enforcement agency;*
- (vi) *a court or grand jury; or*
- (vii) *a management official or other employee of the contractor or subcontractor who has the responsibility to investigate, discover, or address misconduct.*

An employee who initiates or provides evidence of contractor or subcontractor misconduct in any judicial or administrative proceeding relating to waste, fraud, or abuse on a DoD contract shall be deemed to have made a disclosure.

Notwithstanding the foregoing, this policy does not provide any right to disclose classified information not otherwise provided by law.

b. PROCEDURES FOR FILING COMPLAINTS

Any employee of a contractor or a subcontractor who believes that he or she has been discharged, demoted, or otherwise discriminated against contrary to this policy or the DFAR may file a complaint with the Inspector General of the Department of Defense.

A complaint may not be brought more than three years after the date on which the alleged reprisal took place.

The complaint shall be signed and shall contain –

- (i) the name of the contractor;
- (ii) the contract number, if known; if not, a description reasonably sufficient to identify the contract(s) involved;
- (iii) the violation of law, rule, or regulation giving rise to the disclosure;
- (iv) the nature of the disclosure giving rise to the discriminatory act, including the party to whom the information was disclosed; and



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- (v) the specific nature of the reprisal.

c. PROCEDURES FOR INVESTIGATING COMPLAINTS

The DoD Inspector General's procedures for investigating complaints are set forth in subpart [203.905](#) of the Defense Federal Acquisition Regulation Supplement, which is available through the following link:

http://www.acq.osd.mil/dpap/dars/dfars/pdf/r20090115/203_9.pdf

d. REMEDIES

The DoD Inspector General may implement various remedies in the event that it is determined that a sufficient basis exists to conclude that the contractor has subjected the complainant to a reprisal as prohibited by the DFAR. A description of the various remedies is set forth in subpart [203.906](#) of the Defense Federal Acquisition Regulation Supplement, which is available through the following link:

http://www.acq.osd.mil/dpap/dars/dfars/pdf/r20090115/203_9.pdf

IV. ROLES AND REPONSIBILITIES

Employees are responsible for reading, understanding and complying with this policy.

Employees should consult with the Company's Chief Financial Officer, if they are uncertain whether a specific action would be in violation of the FAR and/or this policy.

V. CONFLICT

CBLI employees and our agents are required to comply with the applicable provisions contained in the FAR and the DFAR. To the extent the FAR or DFAR and this policy differ in their requirements, the stricter requirement must be followed.

VI. TRAINING

All personnel must undergo defense training provided by CBLI. The nature, content, and frequency of that training will be determined by the Company based on your risk profile. We encourage all of our business partners to provide training to their personnel as well.

VII. STATUS

This policy does not form part of any employment contract with you and may be amended at any time. Your adherence to this policy may be a factor relevant to your performance evaluation by the Company.



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This policy should be read in conjunction with the following policies and procedures of the Company:

POL-03 Whistleblower Policy

POL-04 CBLI Code of Conduct

VIII. CERTIFICATION

Please sign the attached certificate after you have read this policy. The Company may require you to recertify your compliance with this policy on a periodic basis.

IX. REVISION HISTORY

<i>Version</i>	<i>Approval</i>	<i>Date</i>	<i>Summary of Change</i>
POL-10	CEO & CFO	September 1, 2015	N/A
Rev01	CEO & CFO	December 4, 2015	Change of reporting person



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Certification

The undersigned hereby certifies that he/she has read and understands, and agrees to comply with, the Company's Statement of Company Defense Policy, a copy of which was distributed with this Certification. I am not aware of any actual or potential violation of the Policy, the FAR 52.222-50, or any other trafficking in persons laws or regulations applicable to the Company. I will notify the Chief Financial Officer should I learn of such matters.

Date: _____

Signature _____

Name: _____

(Please Print)