STANDARD TERMS AND CONDITIONS

3.1 Performance

Subcontractor shall furnish all services, supervision, labor, materials, tools, supplies, goods, and equipment and shall perform all work necessary for the complete, proper, timely and safe completion of the Work as described in Part 2:0: Statement of Work in accordance with the terms of the Subcontract (collectively, the "Work").

3.2 Record Retention and Access

(a) As used in this Subcontract, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form ("Records"). The Subcontractor shall maintain and AIR, or an authorized representative of AIR, shall have the right to examine and audit all Records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this Subcontract. This right of examination shall include inspection at all reasonable times of the Subcontractor's business, or parts of them, engaged in performing the Subcontract.

(b) The Subcontractor shall make available at its office the Records, materials, and other evidence described in this Section, for examination, audit, or reproduction, until five (5) years after final payment under this Subcontract or for any longer period required by statute or by other clauses of this Subcontract. If any litigation, claim, or audit is started before the expiration date of this five-year period, the Records shall be retained until all litigation, claims or audit findings involving the Records have been resolved.

3.3 Independent Contractor

In connection with the Subcontractor's operations and activities hereunder, Subcontractor is an Independent Contractor and nothing herein creates an agency, partnership, or business relationship of any kind between the Parties. All Subcontractor personnel providing services under this Subcontract shall be deemed employees of Subcontractor and shall not represent itself as an agent of AIR, nor indicate that Subcontractor has the right to obligate AIR in any way. Subcontractor assumes full responsibility for the actions and supervision of such personnel in performance of this Subcontract. AIR assumes no liability for Subcontractor personnel. Subcontractor, as an independent company contracting to AIR, shall be responsible for all taxes, fees, licenses or other legal or governmental requirements for the Work and its employees performing under this Subcontract.

3.4 Invoice and Payment

(a) Subcontractor shall submit invoices in strict accordance with Part 5.0: Invoice Instructions of this Subcontract. AIR shall make payments due under this Subcontract within thirty (30) days after its receipt of a proper invoice from Subcontractor provided such invoice from Subcontractor complies with all requirements set forth herein.

(b) Allowable Costs for Subcontracts funded via Federal Contracts: Except as provided in this Section, payment for Subcontracts issued under Federal Contracts will be made in accordance with the following clauses of the Federal Acquisition Regulation (FAR), which are incorporated by reference. In each of the following clauses, "Contractor" means Subcontractor, "Contracting Officer" means the AIR Authorized Representative, and "Government" means AIR and "Disputes Clause" means the "Disputes Clause" of this Subcontract.

1) FAR 52.216-7 Allowable Cost and Payment (Applicable to Cost Reimbursement and Time & Materials Subcontracts)
2) FAR 52.216-8 Fixed Fee (Applicable to Cost Plus Fixed Fee Subcontracts)

(c) In the event Subcontractor is liable to AIR for any amounts, AIR may, at its election, set-off against any amounts payable to Subcontractor under this Subcontract.

3.5 Delays

Subcontractor shall immediately notify AIR in writing of any actual or potential delays in meeting performance requirements or delivery schedules. Such notice shall include the cause, effect, duration, and corrective action proposed by Subcontractor to address the delay. The notification shall be for information purposes only and shall not be construed as a waiver by AIR of any delivery or performance requirements.

3.6 Significant Incidents

At any time during the Term of this Subcontract and, as AIR may request, the Subcontractor shall report to AIR any significant incidents that are expected to affect Subcontract performance, whether favorable or unfavorable, with emphasis on problems encountered and solutions planned or proposed, identifying the area of responsibility relative to the Subcontractor and AIR or the Client. The Subcontractor shall notify AIR by telephone or electronic communication within twenty-four (24) hours after occurrence, followed by a confirming written report within seven (7) days thereafter.

3.7 Privity of Contract

AIR is solely responsible for all liaison and coordination with AIR's Client as it affects the applicable Prime Contract, including the Work performed under this Subcontract. Subcontractor acknowledges it has no privity of contract with the Client.

3.8 Assignment and Lower-Tier Subcontracting

(a) Neither this Subcontract nor any interest or rights therein, including any payments, claims or interest hereunder is assignable or transferable, in whole nor in part, without AIR's written consent. Subcontractor shall promptly notify AIR in writing of any organizational changes made by Subcontractor, including name or ownership changes, mergers, or acquisitions.

(b) Prior written approval of AIR is required for obtaining services of consultants and lower-tier subcontractors. Costs for consultants and lower-tier subcontracts who have not received prior written approval in accordance with this Section will not be reimbursed. Inclusion in the Subcontractor's budget or proposal does not constitute request or approval of consultants or lower-tier Subcontractors. When requesting the use of consultants or a lower-tier subcontractor, the Subcontractor shall furnish information concerning the need for such services, the reasonableness of the fees or costs, a copy of the proposed consulting agreement/subcontract, and any additional information required to make a determination of acceptability, including, as applicable, FAR 52.244-2. Cost-plus-a-percentage-of-cost subcontracts are prohibited.

3.9 Inspection and Acceptance

All Work performed shall be received subject to AIR's inspection and rejection by AIR. In the event the Work are defective in material or workmanship or otherwise fail to meet the requirements of this Subcontract, AIR may require Subcontractor to promptly (i) correct the defective Work at no cost or (ii) reimburse payments for the defective Work. Payment for Work under this Subcontract shall not constitute an acceptance thereof, nor will acceptance remove Subcontractor's responsibility for latent defects, fraud, or such gross mistakes as amount to fraud, or with respect to AIR's rights under any other clauses hereunder.

3.10 Travel

To the extent travel is authorized under this Subcontract, costs incurred for lodging, meals and incidental expenses shall be considered to be reasonable, allowable, and allocable under an individual Subcontract as set forth in the current version of the Federal Travel Regulations (FTR). Subcontractor shall include a detailed summary of all travel costs by category of expense on each invoice.

3.11 Changes and Modifications

(a) No modification of this Subcontract shall be binding on AIR unless made by a formal written modification, executed by AIR's authorized representative. AIR shall have the right by written notice to suspend, stop work or make changes from time to time, in whole or in part, in the delivery of items or the performance of the Work hereunder for such period as may be determined by AIR. If such suspension, stoppage, or changes cause a material increase or decrease in the cost of, or the time required for the performance of this Subcontract, an equitable adjustment shall be negotiated promptly, and the Subcontract shall be modified in writing accordingly. Any claim by Subcontractor for adjustment under this Paragraph 3.11 must be asserted in writing within twenty (20) days from the date of receipt by Subcontractor of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. However, nothing herein shall excuse Subcontractor from proceeding with this Subcontract as changed pending resolution of the claim.

(b) Information, advice, approvals, or instructions given by AIR's technical personnel or other representatives, differing from Part 2.0 Statement of Work/Budget of this Subcontract shall be deemed expressions of personal opinion only and shall not affect AIR's and Subcontractor's rights and obligations hereunder unless set forth in a writing which is executed by AIR's authorized representative and which states it constitutes a modification to this Subcontract.

3.12 Release of Information

Subcontractor shall not in any manner distribute, or use any information developed under or about the existence of this Subcontract except as may be approved in writing by AIR. Subcontractor shall not use the American Institutes for Research name (or the name of any division, affiliate, or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, publications, making a news release, speeches, technical papers, photographs, creating a business reference, creating a website content or for goods or service endorsement without prior written approval of AIR.

3.13 Termination/Cancellation

Termination for Default

(a) AIR may forthwith terminate this Subcontract in whole or in part for default in the event of the occurrence of any of the following:

(1) Insolvency of the Subcontractor: Subcontractor shall be deemed to be insolvent upon any of the following circumstances: (i) it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not and whether insolvent within the meaning of the Federal Bankruptcy Act or not; (ii) the filing of a voluntary petition to have Subcontractor declared bankrupt; (iii) the appointment of a receiver or trustee for Subcontractor, or (iv) the execution by Subcontractor of an assignment for the benefit of creditors.

(2) Failure of Subcontractor per the terms of this Subcontract to: (i) deliver the Work within the time specified in this Subcontract or any authorized extension, (ii) make progress so as to endanger the performance of this Subcontract, or (iii) perform to any other substantive provisions of this Subcontract. The Subcontractor shall diligently proceed with performance of any Work that has not been terminated in accordance with this Section 3.13.

(b) If this Subcontract is terminated for default, AIR may acquire, under terms and in the manner, AIR considers appropriate, deliverables or services similar to those terminated, and the Subcontractor will be liable to AIR for any excess costs for those deliverables and services. AIR may withhold from these amounts any sum AIR determines to be necessary to protect AIR against loss because of outstanding liens or claims of former lien holders. The rights and remedies of AIR in this clause are in addition to any other rights and remedies provided by law or under this Subcontract.

(c) If this Subcontract is terminated for default, AIR may require Subcontractor to transfer title to, and deliver to AIR, as directed by AIR, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, plans, drawings, information, and contract rights (collectively referred to as "materials" in this Section) that Subcontractor has specifically produced or acquired for the terminated portion of this Subcontract. Upon direction of AIR, Subcontractor shall also protect and preserve property in its possession in which AIR has an interest.

Termination for Convenience

(a) AIR may, by written notice, terminate this Subcontract for convenience and without cause, in whole or in part, at any time. The notice will contain the effective date of termination, the extent of termination and any special instructions. In the event of partial termination, Subcontractor is not excused from performance of the balance of work under the Subcontract that has not been terminated.

(b) In the event of termination for convenience by AIR, Subcontractor shall be reimbursed for actual, reasonable, substantiated, and allocable costs, for Work performed up to the date of termination. Any termination settlement proposal shall be submitted to AIR promptly, but no later than thirty (30) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Subcontract value. AIR may take immediate possession of all items, complete or incomplete, and all items resulting from services upon written notice of termination to Subcontractor.

3.14 Indemnification

(a) To the full extent permitted by law, Subcontractor hereby indemnifies and holds AIR and its Affiliates, successors and assigns, and their respective stockholders, directors, officers, employees, agents, and other representatives harmless from liability, losses, costs, claims, damages, settlements, judgments and awards, and expenses (including reasonable attorneys' fees), arising, or claimed to have arisen, wholly or in part from:

(1) acts or omissions of, or as a result of the Work under this Subcontract done or omitted from being done, or as a result of negligence by Subcontractor, or its subcontractors, agents, or assignees, which result in (i) injury to or death of any person, or (ii) damage or destruction of any property, real or personal; or

(2) claims by third parties of any violation or an alleged violation by Subcontractor, or its subcontractors, agents or assignees of applicable federal, state, and local laws or regulations in the course of performing the Work.

(3) any intellectual property infringement or violation of any person or entity arising out of Subcontractor's performance of the Work under this Subcontract. If use of the Work is enjoined, then Subcontractor shall obtain a license for AIR to continue using the Services or modify the applicable Work so that it no longer infringes, without degrading its function or performance or as a last resort, provide a refund to AIR in accordance with Section 3.9 herein.

(b) AIR shall promptly notify Subcontractor in writing of any claims, suits, or proceedings (provided, however that the failure of AIR to promptly notify Subcontractor shall not relieve Subcontractor from its indemnification obligations herein, except to the extent that Subcontractor is materially prejudiced by such failure) and shall assist Subcontractor in defending the action by providing any necessary information at Subcontractor's expense.

(c) This indemnification obligation shall not be limited in any way by required, actual, or available insurance coverage. The Subcontractor further agrees that if AIR should incur any legal cost whatsoever resulting from the lack of the insurance coverage identified in Article 3.15, Insurance, while engaged in the Work as identified in this agreement, the Subcontractor will indemnify and hold harmless AIR and the Client from any such costs which the Subcontractor may legally be required to pay.

3.15 Insurance

(a) Without limiting Subcontractor's duty to hold harmless and indemnify hereunder, Subcontractor agrees to secure, maintain, and require its subcontractors to maintain the following minimum insurance coverages and limits: provide a Certificate of Insurance, evidencing that the insurance coverages required below are in force. Subcontractor must provide no less than thirty (30) days written notice prior to any cancellation or restrictive modification of the policies. In addition, the Certificate of Insurance shall 1) certify that the Subcontractor is insured for the period of performance of this Subcontract, 2) shall name AIR as "Additionally Insured," (except for workers compensation and professional liability), and 3) shall identify this Subcontract by number and brief description. Subcontractor's failure to furnish a Certificate of Insurance, or to procure and maintain the insurance required herein, or failure of AIR to request such Certificate of Insurance shall not constitute a waiver of the respective Subcontractors obligations hereunder.

(b) The Subcontractor is responsible for maintaining the minimum insurance coverages stated herein throughout the Term of this Subcontract including any modifications extending the period of performance or the exercising of any option periods. Should this insurance coverage lapse, be cancelled, or modified in any way Subcontractor will immediately notify AIR. The coverage's stated herein shall in no way lessen nor affect the Subcontractor's other obligations or liabilities set forth in this Subcontract.

(c) The Subcontractor agrees to purchase and maintain at its own expense the following insurance coverages with minimum limits as stated:

(1) **Statutory Workers' Compensation and Employer's Liability** in an amount no less than that required by statute in the state of Agreement performance covering its employees, including a waiver of subrogation obtained from the carrier in favor of AIR.

(2) **Commercial General Liability** in an amount no less than $1 Million per each occurrence and $2 Million in this annual aggregate covering bodily injury, broad form property damage, personal injury, products and completed operations, contractual liability, and independent contractors' liability. AIR, its officers and employees shall be included as Additional Insureds; and a waiver of subrogation shall be obtained from the carrier in favor of AIR.

(3) **Automobile Liability** in an amount no less than $1 Million Combined Single Limit for Bodily Injury covering use of all owned, non-owned, and hired vehicles.

(4) **Professional Liability** in an amount no less than $1 Million per claim occurrence covering damages caused by any negligent acts, errors, and omissions arising out of the professional services performed by the Subcontractor, or any person for whom the Subcontractor is legally liable.

(5) **Umbrella/Excess coverage** shall be provided in excess of Employer's Liability, Commercial General Liability, and Automobile Liability with a minimum limit of $1,000,000 per occurrence and in the aggregate. Coverage shall be on a "following form" basis with no additional exclusions unless specifically reviewed with AIR.

(6) **Cyber Insurance:** In addition to the insurance required under the Subcontract, Subcontractor at its sole cost and expense will obtain, keep in force, and maintain a cyber-insurance policy to ensure its reasonable costs in investigating and responding to a cyber-incident or Breach with the following minimum limits unless AIR specifies otherwise: $1,000,000 Each Occurrence and $3,000,000 Aggregate.

3.16 Intellectual Property

(a) Any work, writing, idea, discovery, improvement, invention (whether patentable or not), trade secret or intellectual property of any kind first made or conceived by Subcontractor in the performance of this Subcontract or which is derived from the use of information supplied by AIR shall be the exclusive property of AIR. Subcontractor shall disclose promptly all such works, writings, ideas, discoveries, improvements, inventions, trade secrets or intellectual property to AIR, and shall execute all necessary documents to perfect AIR's title thereto and to obtain and maintain effective protection thereof. Any work produced under this Subcontract is to be deemed a work-for-hire to the extent permitted by law, and, to the extent not so permitted, shall be assigned to, and shall be, the exclusive property of AIR.

(b) Subcontractor hereby grants to AIR, and to AIR's Client, in connection with the use of products or work being performed for AIR, an irrevocable, non-exclusive, paid-up worldwide license under any and all intellectual property

(whether domestic or foreign), including patents, copyrights, industrial designs and/or mask works owned or controlled by Subcontractor at any time or licensed to Subcontractor, provided such a sublicense does not conflict with any provisions of the license to the Subcontractor.

(c) Subcontractor hereby grants to AIR, and to AIR's Client, a perpetual, non-exclusive, paid-up worldwide license to reproduce, distribute copies of, perform publicly, display publicly, or make derivative works from any software included in or provided with the items delivered or services provided under this Subcontract as reasonably required by AIR in connection with AIR's testing or use of the good or service.

3.17 Privacy, Confidentiality and Data Security

(a) Subcontractor acknowledges it may receive or have access to information or data that is confidential or proprietary to AIR or AIR's Client. All such information, knowledge, or data ("Confidential Information") that Subcontractor may receive from AIR or have access to, have disclosed to, or otherwise made known to Subcontractor as a result of services under this Subcontract shall be considered confidential and shall be considered the sole property of AIR and/or AIR's Client. Subcontractor shall not use any such Confidential Information for any purpose except in performance of this Subcontract. Subcontractor shall not disclose, copy, distribute or otherwise disseminate the Confidential Information without the prior written consent of AIR. The Subcontractor shall maintain data protection processes and employ systems security measures sufficient to protect this Confidential Information in compliance with laws and regulations applicable to such Confidential Information.

(b) "Confidential Information" includes any information or data that is proprietary and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, but not limited to; (i) any marketing strategies, plans, financial information, or projections, operations, sales estimates, business plans and performance results relating to the past, present or future business activities of such Party, its affiliates, subsidiaries and affiliated companies; (ii) plans for products or services, and customer or supplier lists; (iii) any scientific or technical information, invention, design, process, procedure, formula, improvement, technology or method; (iv) any concepts, reports, data, know-how, works-in-progress, designs, development tools, specifications, computer software, source code, object code, flow charts, databases, inventions, information and trade secrets; and (v) any information that, under the circumstances surrounding disclosure, a reasonable person would regard as confidential.

(c) However, such obligation shall not apply to information that Subcontractor can demonstrate by its written records was: (a) previously known to Subcontractor; (b) acquired by Subcontractor from a third party having the right to disclose such information; or (c) known to the public, through no fault of Subcontractor. Subcontractor shall maintain data protection processes and systems sufficient to protect the Confidential Information. Subcontractor shall promptly report to AIR any discovered unauthorized access to or use of the Confidential Information.

(d) "Security Incident" means any violation or imminent threat of violation of computer security policies, acceptable use policies, or standard computer security practices or an adverse event that is a deviation from the normal state of the system or network that will result in harm or the significant threat of harm. If Subcontractor becomes aware of any Security Incident, including but not limited to unauthorized access to or use of the Confidential Information in the performance of this Subcontract or provided by AIR to Subcontractor, its officers, employees, agents, suppliers, or subcontractors, Subcontractor shall take appropriate immediate actions to investigate and contain the Security Incident and any associated risks, including notification within seventy-two (72) hours to AIR after learning of the Security Incident. Subcontractor shall provide reasonable cooperation to AIR in conducting any investigation regarding the nature and scope of any Security Incident. Any costs incurred in investigating or remedying Security Incidents shall be borne by Subcontractor.

(e) The foregoing obligations with respect to Confidential Information shall survive the expiration or termination of this Subcontract for a period of five (5) years or such longer period as required by law, regulation, or court order.

(f) The provisions of this Section apply in addition to the terms of any Non-Disclosure Agreement (NDA) or AIR Information Technologies Agreements between the Parties related to the Work. In the event of a conflict between this Section and

the NDA, the terms of the NDA control, except that as to the duration of the obligations of confidentiality and non-disclosure, the longer duration applies. Subcontractor shall maintain data protection processes and systems sufficient to protect AIR Confidential Information. Subcontractor shall promptly report to AIR any discovered unauthorized access to or use of Confidential Information.

(g) Return of Confidential Information. The Subcontractor shall return and deliver all Confidential Information (and all copies of any of the foregoing, including "copies" that have been converted to computerized media in the form of image, data or word processing files either manually or by image capture) based on or including any, in whatever form of storage or retrieval, upon the earlier of (i) the termination or expiration of this Subcontract; or (ii) at such time as the Disclosing Party may so request; provided however that the Subcontractor may retain such of its documents as is necessary to enable it to comply with its document retention policies. Alternatively, the Subcontractor shall immediately destroy any of the foregoing embodying Confidential Information (or the reasonably non-recoverable data erasure of computerized data) and, upon request, certify in writing such destruction by an authorized representative of the Subcontractor supervising the destruction.

3.18 Governing Law

This Subcontract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, excluding its principles of choice of laws, except as to any provisions hereof which are governed by the laws of the United States of America, as to which provisions such laws of the United States shall govern.

3.19 Disputes

(a) If a dispute arises from or relates to this Subcontract or the breach thereof, and if the dispute cannot be settled through direct discussions between the Parties, the Parties agree that any unresolved controversy or claim arising out of or relating to this Subcontract, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Neither Party shall institute any action or proceeding against the other Party in any court with respect to any dispute which is or could be the subject of a claim or proceeding pursuant to this Section**.** The sole exception shall be the right of either Party to seek injunctive relief from a court of competent jurisdiction in the case of misuse, misappropriation, or threatened misuse of intellectual property or proprietary information. Nothing in this Section prevents AIR from exercising the right to terminate this Subcontract in accordance with Section 3.13 herein.

(b) Subcontractor shall proceed diligently with performance pending resolution of any such dispute by settlement or final judgment. By accepting this Subcontract, Subcontractor consents to this condition in its entirety.

(c) In no event shall AIR be liable for anticipated profits or for incidental, punitive or consequential damages. AIR's liability on any claim, of any kind and for any loss or damage arising out of, connected with or resulting from this Subcontract, or from the performance or breach thereof shall, in no case, exceed the price allocable to the Work, or unit thereof, which gives rise to the claim. Any action resulting from any breach on the part of AIR as to the Work delivered hereunder must be commenced within one year after the cause of action has occurred.

3.20 Taxes

Subcontractor assumes exclusive liability for all excises, sales, use or similar taxes applicable to any service, materials, supplies, equipment, or tools, which Subcontractor buys, rents, leases, uses or consumes in conjunction with the performance of this Subcontract. In no event shall AIR be liable for taxes based on Subcontractor's revenue, net income, payroll, or franchise.

3.21 Government Property

When applicable, the Subcontractor will request written authorization from AIR before acquiring any contractually necessary property to which the Client will have title. The request will include complete descriptions of all individual items, which will exceed $5,000 in cost, including:

- a brief statement of function; and
- manufacturer and manufacturer's brand name, model, or part number.

3.22 Final Payment/Close Out

(a) Completion, submission, and acceptance by AIR of all work performed under the Statement of Work is required. Subcontractor's final invoice and Release and Assignment form shall be submitted to AIR within SIXTY (60) calendar days following completion of the period of performance of this Subcontract.

(b) In the event that quick closeout is requested by AIR, Subcontractor shall comply with FAR Part 42.7 to complete Subcontract closeout. Payment of the final invoice will be withheld pending:

- Completion, submission, and acceptance by AIR of all work performed under the Statement of Work
- Completion of Subcontractor's Release and Assignment Form, including patent/invention report, and property report; and
- Clear, visible, and proper marking of "final invoice" on the actual final invoice.

3.23 Compliance with Laws

Subcontractor agrees that in the performance of its obligations under this Subcontract, its agents, employees, and subcontractors shall comply with all applicable federal, state, and local laws, rules, codes, regulations, and ordinances, including, without limitation, executive orders now existing or hereafter enacted, adopted or enforced by any governmental body or agency. Compliance includes where applicable all such laws, ordinances, codes, rules, regulations and orders pertaining to labor and working conditions; (including the Equal Employment Opportunity Requirements set forth in Section 3.30 below), safety and health, food and drug quality, and hazardous materials; (b) apply for, obtain, and pay for all necessary permits and licenses, and pay applicable fees in connection therewith, and (c) pay promptly when due any and all applicable sales, excise, or other taxes due on materials furnished in connection with Work performed, and all taxes and amounts due under applicable unemployment, social security, and worker's compensation laws.

3.24 Validity and Waiver

The invalidity, in whole or in part, of any provision of this Subcontract shall not void or otherwise affect the validity of any other provision. No waiver of a breach of any provision of this Subcontract shall constitute a waiver of any other breach or of such provision. Failure of either Party to enforce at any time, or from time to time, any provision of this Subcontract shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies.

3.25 Organizational Conflict of Interest

(a) The Subcontractor certifies, to the best of its knowledge and belief, that there are no relevant facts or circumstances which would give rise to an organizational conflict of interest, as defined in FAR Subpart 9.5, and that the Subcontractor has disclosed all relevant information regarding any actual or potential conflict. The Subcontractor agrees it shall make an immediate and full disclosure, in writing, to AIR of any potential or actual organizational conflict of interest or the existence of any facts that may cause a reasonably prudent person to question the Subcontractor's impartiality because of the appearance or existence of bias or an unfair competitive advantage. Such disclosure shall include a description of the actions the Subcontractor has taken or proposes to take in order to avoid, neutralize, or mitigate any resulting conflict of interest.

(b) AIR may terminate this Subcontract for convenience, in whole or in part, if AIR deems such termination necessary to avoid, neutralize or mitigate an actual or apparent organizational conflict of interest. If the Subcontractor fails to disclose at any time facts pertaining to the existence of a potential or actual organizational conflict of interest or misrepresents relevant information to AIR, AIR may terminate the Subcontract for default and report the relevant information to the Government and pursue such other remedies as may be permitted by law or this Subcontract.

(c) The Subcontractor shall incorporate Section 3.25, Organizational Conflict of Interest certification, into all lower-tier subcontracts and consultant agreements.

3.26 Excusable Delay-Force Majeure

Neither Party will be liable for its failure to perform any of its obligations hereunder during any period in which such performance is delayed by acts of God, fire, natural disaster, or any other cause beyond the control of such Party provided that the Party experiencing the difficulty will provide prompt written notice to the other Party and use its best efforts to cure the delay.

3.27 Standards of Ethics and Business Conduct

Subcontractor, including all lower-tier subcontractors shall comply with the AIR Code of Conduct standards; and its employees, agents, subcontractors, and representatives shall adhere to a particularly high ethical standard. AIR's expectation is that Subcontractor will also conduct its business fairly, impartially and in an ethical and proper manner. Subcontractor must immediately report any illegal, improper, or unethical conduct by calling 1-866-534-8686 or sending an email to ethics@air.org. A copy of AIR's Code of Conduct is available at http://www.air.org/page/code-conduct.

3.28 HIPAA

In the event Subcontractor has been designated as a Business Associate, as defined by 45 CFR 160.103, via operation of a provision contained in this Subcontract, Subcontractor certifies that it has completed, or will complete, a training course as described in 45 CFR 164.530(b) for all employees associated with the work issued under said Subcontract and prior to such employees engaging in any work which involves Protected Health Information ("PHI"), as defined in 45 CFR 160.103.

3.29 Institutional Review Board (IRB) [Applicable if Subcontract involves the use of human subjects]

Institutional Review Board (IRB) approval must be obtained before any contact with human subjects. All research involving human subjects, or data from or about human subjects, must be conducted in accordance with applicable federal regulations (45 CFR 46 and 21 CFR 50 and 56) and the protocol approved by the IRB. Research activities include contacting Human Subjects, conducting the survey and the collecting and storing of any Human Subject data resulting from this survey. Upon notice of IRB approval, AIR will provide notice to the Subcontractor to commence work. Once this notice is provided to Subcontractor, the Subcontractor may commence with the research activities.

3.30 Additional Applicable U.S. Laws and Regulations

Subcontractor by execution of this Subcontract certifies and agrees to comply with all applicable U.S. Trade Laws, Executive orders, and Regulations, including but not limited to:

1) **Equal Employment Opportunity. AIR and Seller *(i.e.: Subcontractor, Contractor, Vendor, Supplier)* shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, and for inquiring about, discussing, or disclosing compensation. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or veteran status.**

2) **Combating Trafficking in Persons:** The United States Government has adopted a policy prohibiting trafficking in persons including the trafficking-related activities of this clause. Subcontractor, Subcontractor employees, and their agents shall not—
    a) Engage in severe forms of trafficking in persons during the period of performance of this Subcontract;
    b) Procure commercial sex acts during the period of performance of this Subcontract;
    c) Use forced labor in the performance of this Subcontract;
    d) 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.
    e) (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) Charge employees recruitment fees.
    f) Subcontractor shall notify its employees of the United States Government's zero tolerance policy, the actions that will be taken against employees for violations of this policy (including, but not limited to, removal from this Subcontract, reduction in benefits, or termination of employment), and take appropriate action, up to and including termination, against employees or subcontractors that violate this policy.
    g) The Subcontractor's failure to comply with the requirements of this clause may result in termination of this Subcontract for default or cause, in accordance with 3.13 Termination/Cancellation of this Subcontract.
    h) This Subcontract hereby incorporates FAR 52.222-50 Combating Trafficking in Persons (MAR 2015), 22 U.S. Code § 7104: Prevention of trafficking., Victims of Trafficking and Violence Protection Act of 2000 (P.L. 106-386), 8 U.S. Code § 1351: Fraud in foreign labor contracting (a) Work inside the United States.
3) The **Arms Export Control Act (PL-94-329), 22 U.S.C. § 2751, the International Traffic in Arms Regulations (ITAR), 22 CFR 120-130**; the **Export Administration Act of 1979 (Executive Order #13222) and the Export Administration Regulations (EAR)**.
4) The **Foreign Corrupt Practices Act of 1977 ("FCPA"), 15 U.S.C. § 78** and all related and implementing legislation that may be applicable to this Agreement.
5) **Executive Order #13224 on Terrorist Financing** - Subcontractor is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of Subcontractor to ensure compliance with these Executive Orders and laws.
6) **As prescribed in Public Law 115-232, Section 889 (a)(1)(B), and FAR 52.204-26 "Covered Telecommunications Equipment or Services-Representation",** by execution of this Agreement, the Supplier certifies they **do not provide covered telecommunications equipment or services** (per **52.204-25**) as a part of its offered products or services in the performance of any contract, subcontract, or other contractual instrument. **See Public Law 115-232, section 889 [page 132 STAT. 1917] for additional information.**

Subcontractor shall incorporate the above paragraphs of this section into all lower-tier subcontract and consultant agreements.

3.31 Child Safeguarding [Applicable if Subcontract involves the use of human subjects]

The Subcontractor shall abide by the following child safeguarding core principles:

(a) Ensure compliance with host country and local child welfare and protection legislation or international standards, whichever gives greater protection, and with U.S. law where applicable;
(b) Prohibit all Subcontractor personnel from engaging in child abuse, exploitation, or neglect;
(c) Consider child safeguarding in project planning and implementation to determine potential risks to children that are associated with project activities and operations;
(d) Apply measures to reduce the risk of child abuse, exploitation, or neglect, including, but not limited to, limiting unsupervised interactions with children; prohibiting exposure to pornography; and complying with applicable laws, regulations, or customs regarding the photographing, filming, or other image generating activities of children;
(e) Promote child-safe screening procedures for personnel, particularly personnel whose work brings them in direct contact with children; and

(f) Have a procedure for ensuring that personnel and others recognize child abuse, exploitation, or neglect; mandating that personnel and others report allegations; investigating and managing allegations; and taking appropriate action in response to such allegations, including, but not limited to, dismissal of personnel.

Subcontractor shall incorporate the above paragraphs of this section into all lower-tier subcontract and consultant agreements.

3.32 Prevention of Sexual Abuse and Exploitation

(a) AIR has a zero-tolerance policy towards sexual harassment, exploitation, and abuse. AIR prohibits sexual harassment, assault, exploitation, and abuse by or of any employee, supervisor, manager, contractor, vendor, affiliate, or other individual with whom AIR employees come into contact by the virtue.

(b) Subcontractor certifies and agrees to conform to the U.N. Standards for Protection from Sexual Exploitation and Sexual Abuse. Subcontractor is responsible for ensuring that the Subcontractor's employees maintain the highest degree of conduct and standards in performance of the Subcontract and act in a manner consistent with the standards for United Nations (UN) employees in Section 3 of the UN Secretary General's Bulletin - Special Measures for Protection from Sexual Exploitation and Sexual Abuse (ST/SGB/2003/13). Any breach of this provision by the Subcontractor shall entitle AIR to terminate the Subcontract with immediate effect.

(c) Subcontractor is required to take appropriate steps to develop and enforce a comprehensive policy addressing sexual assault and sexual harassment and take the necessary actions to ensure awareness, training, and an appropriate employee reporting mechanism are in place. If, in performance of this Subcontract, the Subcontractor's employee observes or is the object of sexual assault or sexual harassment, they must immediately report the matter by calling 1-866-534-8686 or sending an email to ethics@air.org.

3.33 Representations and Certifications

(a) Subcontractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, nor are listed on any of the following as applicable to the procurement: (1) the Specially Designated Nationals and Blocked Persons List (SDN List) of the U.S. Department of Treasury Office of Foreign Asset Control (OFAC); (2) the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions (CFSP List) of the European Union (EU); (3) the Consolidated United Nations Security Council Sanction List of the United Nations (UN); and (4) the List of Subjects of Sanctions of the State Secretariat for Economic Affairs (SECO) of Switzerland (any person listed on any such list hereinafter: a "Prohibited Person");

(b) As set forth below, and then renewed on an annual basis for the duration of this Subcontract, Subcontractor shall provide current, accurate and complete representations and certifications. It shall be Subcontractor's responsibility to complete the AIR-provided Representations and Certifications form on annual basis as measured from the date the Representations and Certifications were initially made, and also to ensure the continued accuracy of Subcontractor's Representations and Certifications. In the event the status of any item which Subcontractor represented or certified changes prior to Subcontractor's required annual renewal, Subcontractor shall promptly notify AIR, which shall be no later than five (5) business days after said change in status.

(c) Subcontractor shall complete an AIR-provided Representations and Certifications form at the earlier of following events:

- During the initial proposal with AIR in response to a U.S. Government solicitation; or
- Prior to Subcontract execution.

3.34 Precedence for Settling Conflicts Between Documents

In the event of any inconsistency between or among the provisions, parts, attachments, or requirements which constitute this Subcontract, the following order of precedence shall apply:

1. All Requirements as set forth in PART 1.0: Schedule, including any attachments referenced or incorporated under Part 1.0;
2. Incorporated FAR and Agency Supplementary Clauses, Part 4.0;
3. The General Provisions contained in the Standard Subcontract Terms and Conditions, Part 3.0;
4. Statement of Work/Budget, Part 2.0; and
5. All other attachments incorporated herein by reference.

3.35 Electronic Contracting

The Parties agree that if this Subcontract is transmitted electronically neither Party shall contest the validity of this Subcontract, or any Acknowledgement thereof, on the basis that this Subcontract or acknowledgement contains an electronic signature.

3.36 Entire Agreement

This Subcontract, including all attachments and documents incorporated by reference by AIR, shall constitute the entire agreement between AIR and Subcontractor. No other document (including Subcontractor's proposal, quotation, or acknowledgement forms, etc.) shall be a part of this Subcontract, even if referred to, unless specifically agreed to in writing by AIR. No right that AIR has regarding this Subcontract may be waived or modified except in writing by AIR.

PART 6.0: ATTACHMENTS

ATTACHMENT 1: SUBCONTRACTOR RELEASE OF CLAIMS FORM

Subcontractor Name:		**Subcontract/PO No.:**	
Project Name:		**Prime Contract No.:**	
Period of Performance:			

A. **Release**

Pursuant to the terms of the **Subcontract** and in consideration of the sum of **$**_____which has been or is to be paid to _____or its assignees, the Subcontractor, upon payment of the said sum by AIR, does remise, release, and discharge AIR and the United States Government from all liabilities, obligations, claims and demands whatsoever under or arising from the said Subcontract except:

Specific claims, in stated amounts or in estimated amounts when the exact amounts are not known, as follows:

1. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Subcontractor to third parties arising out of the performance of this Subcontractor, which are not known to the Subcontractor on the date of the execution of this release, and of which the Subcontractor gives notice in writing to AIR within three (3) years following the release date or notice of final payment date, whichever is earlier.

2. Claims for reimbursement of costs (other than expenses of the Subcontractor by reason of its indemnification of AIR and the United States Government against patent liability), including reasonable expenses incidental thereto, incurred by the Subcontractor under the clauses of this Subcontract relating to patents.

B. **Assignment**

The Subcontractor does hereby:

1. Assign, transfer, and release to AIR, all right, title and interest to all refunds, rebates, credits, and other amounts (including any interest thereon), arising out of the performance of the said Subcontract, together with all rights of action accrued or which may hereafter accrue under the said Subcontract.

2. Agree to take whatever action may be necessary to effect prompt execution of any refunds, rebates, credits, or other amounts (including any interest thereon) due or which may become due, and promptly to forward to AIR for any proceeds so collected.

C. **Certification**

The Subcontractor does hereby:

1. Certify that:

   ☐ there was no property purchased under this Subcontract.

   ☐ property was purchased under this Subcontract, and a final inventory of property is attached.

2. Certify that:

   ☐ there were no potentially patentable inventions under this Subcontract.

   ☐ there were potentially patentable inventions under this Subcontract, and a final invention disclosure report is attached.

3. Certify that all deliverables specified in said Subcontract:

   ☐ were previously submitted.

   ☐ are attached.

4. Certify that:

   ☐ Certify that the number of Labor Hours provided totaled _____.
   (Completion of this item is required only if Subcontract is Level of Effort or Time and Materials)

D. Quick Closeout (Only applicable to Cost Reimbursement and Cost-Plus Fixed Fee Subcontracts)

Determination and acceptance of final indirect costs under the quick closeout procedure shall be final for this Subcontract only and no adjustment shall be made to other subcontracts for over- or under-recoveries of costs allocated or allocable to this Subcontract. Indirect cost rates used in the quick closeout of this Subcontract shall not be considered a binding precedent when establishing the final indirect cost rates for other subcontracts.

IN WITNESS WHEREOF, this Subcontractor's Release and Assignment has been executed by an authorized official.

_____	_____
Signature (Authorized Signatory)	Date
_____	_____
Printed Name	Title

NOTE: In the case of a corporation, the following certification must be completed.

I, _____ (name), certify that I am the _____ (office) of the company named as Subcontractor in the foregoing release that _____ who signed said release on behalf of the Subcontractor was then _____ (title) of said corporation; that said release was duly signed for and in behalf of said corporation by the authority of its governing body and is within the scope of its corporate powers.

(CORPORATE SEAL)

_____
(Signature of Authorized Representative)