

LYCOMING
201 LOWELL STREET
WILMINGTON, MASSACHUSETTS 01887

TERMS AND CONDITIONS FOR CONTRACT SERVICES

1. PAYMENT

In consideration of services to be performed hereunder, the Seller will be reimbursed at the rate stipulated in the body of the purchase order. Payment shall be made against invoices bearing reference to this purchase order and setting forth the amount of hours worked, the rate, and the total amount. Payment for services shall be made within 30 days of receipt of invoice, unless specified as otherwise on the purchase order. The Buyer reserves the right to perform periodic audits of Seller's rates and adjust the billing rates upward or downward as a result thereof.

Work performed must be compliant to the statement of work identified and/or the period of performance identified within the purchase order. Work performed outside the provisions of the statement of work or beyond the period of performance specified within the purchase order are out of scope, unless duly authorized by the Buyer in writing and acknowledged to the Buyer by the Seller in writing. Textron Systems Corporation shall not be obligated to pay the Seller any amount associated with unauthorized out of scope work.

2. TIME RECORDS

The Seller will keep accurate records of time worked hereunder and such records shall be available for inspection by Textron Systems Corporation.

3. AUTHORITY TO MAKE CHANGES

The total amount specified in this purchase order may be increased only by a written amendment thereto. The Seller shall not be bound to take any action in performance of this agreement that would cause the total amount of this purchase order to be exceeded. Textron Systems Corporation shall not be obligated to pay the Seller any amount in excess of that stipulated in the purchase order. The Buyer is not liable for any time not actually worked under Buyer's direction.

4. **PERSONNEL**

Seller personnel may be assigned to any Government or Company sponsored military or commercial project. Any personnel found to lack the skills necessary for such assignment during an initial ten working day trial period will be terminated immediately by verbal notification to the Seller.

In the event any assigned personnel become undesirable due to improper conduct, immorality, security reasons, etc., he/she will be terminated immediately by verbal notification to the Seller.

All employees of the Contractor and his Sub-contractors shall be citizens of the United States or shall be resident aliens with a valid "green card". The Contractor shall submit a list with names, social security numbers (or valid driver's license numbers), and citizenship of all personnel, based upon the Federal I-9 Form, including Sub-contractor's personnel to be engaged in the contract work on-site. The list shall be submitted, on the Contractor's letterhead, to the TSC PM at least two days prior to the start of the work. Only those employees of the Contractor and his Sub-contractors, who are listed, will be permitted on the premises. No change in the personnel engaged in the performance of the Contract will be allowed without the submission of an additional list giving the required information on the additional personnel. TSC reserves the right to deny admittance to its premises to any person whose name has been submitted by the Contractor, or to any Sub-contractor pursuant to the requirements of this paragraph, without stating the reason for such action.

5. **SECURITY REQUIREMENTS**

If the services to be rendered hereunder include work in connection with Textron Systems Corporation prime contracts with the United States Government or subcontracts under prime Government contracts, the Seller will comply with all applicable regulations. All terms and provisions which are required by Governmental law or regulation to be included in contracts of this nature are hereby incorporated herein by reference and the Seller will perform all acts required thereby as if the Seller were under a direct contract obligation to the United States Government.

6. **TERMINATION**

Termination of the purchase order and/or the services of one or all of the acceptable personnel assigned by the Seller can be accomplished by Buyer giving 48 hours notice prior to the requested date of termination, with or without any cause given.

Textron Systems Corporation shall also have the right to cancel for default all or any portion of the services to be provided hereunder if Seller breaches any of the terms of this agreement. In the event of cancellation Textron Systems Corporation may procure or furnish upon such terms and in such manner as Textron sees fit services similar to those canceled and Seller shall be liable for any excess costs of providing such services.

7. OVERTIME

Overtime - authorized overtime will be paid for all time worked in excess of forty (40) hours in one week. All hours worked less than forty (40) in one week shall be straight time. All overtime must be approved by Textron Systems Corporation Management.

8. TRAVEL

Travel - If approved by Buyer, airfare coach transportation will be paid as agreed in writing from the point of origin for the selected employee to Buyer's specified location or facility.

9. CONFIDENTIALITY OF INFORMATION

Seller agrees that all information and data which is generated, developed, received or obtained in the course of performance of or as a consequence of performing this purchase order shall be the exclusive property of Textron Systems Corporation. As part consideration of this contract, Seller agrees that:

Seller will waive any and all rights it may have in and to inventions conceived and/or reduced to practice of those Seller's employees supplied to Buyer under the purchase order for the term of this purchase order.

Such employees will be required to personally conform to Buyer's employee's invention policy during the terms of this contract; namely, to disclose and assign to Buyer each and every invention first conceived by or the Buyer pursuant to their disclosure during the term of this purchase order.

Seller acknowledges that it has been provided with a copy of the Textron Business Conduct Guidelines and agrees to comply with and operate within the intent that underlies the Guidelines. No competitive information shall be solicited, accepted, used or possessed by Seller or its employees and agents in connection with the performance of services for the Company, or disclosed to the Company, unless consistent with all applicable laws, including without limitation the Economic Espionage Act of 1996, and in accordance with the highest standards of business ethics. Seller shall not solicit, use, accept, or possess information from any

person who is under an obligation of confidentiality to his or her employer or to any other person or entity not to disclose such information, and Seller shall not disclose any such information to the Company. Further, Seller warrants that it has the right to disclose all information transmitted to the Company under this Agreement. Seller agrees to hold Company harmless from any and all injury, loss, or damage which may occur due to Seller's breach of this warranty.

10. **BRIBES, GRATUITIES, KICKBACK**

Seller represents that it has not and agrees that it will not in connection with the transactions contemplated by this purchase order, or in connection with any other business transactions involving Textron Systems Corporation make any or transfer anything of value, directly or indirectly, to any person, director or employee of Textron Systems Corporation or any of its affiliates, or to any other person or entity if such payment or transfer would violate the laws of the country in which made or the laws of the United States. It is the intent of the parties that no payments or transfers of value shall be made which have the propose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business.

11. **NO SOLICITATIONS**

Buyer and Seller agree neither to hire nor solicit for hire any personnel from the other and/or other contract personnel subcontractors then under contract to the Buyer for the duration of this project nor for a period of ninety (90) days following the termination of this purchase order or the termination of the employee. Except if any employee of one firm shall contact the other firm regarding employment, then this paragraph may be waived provided written approval is obtained from all parties concerned.

12. **HOLD HARMLESS**

Seller agrees to indemnify including but not limited to attorney's fees and save Textron Systems Corporation harmless from claims for death or injury to any of Sellers personnel arising while such personnel are on premises owned or controlled by Textron Systems Corporation or are within the scope of their employment wherever they may be. Seller also agrees to indemnify including but not limited to attorney's fees and save Textron Systems Corporation harmless from any and all liability by reason of any loss or damage to any property resulting from any negligent act or failure to act on the part of or Seller personnel, wherever they may be, unless caused by gross negligent or willful misconduct of Textron Systems Corporation or its agents or employees.

13. **INSURANCE**

Seller shall maintain Workmen's Compensation Insurance and Employer Liability Insurance in the minimum amount of One Million Dollars (\$1,000,000) covering all of Seller's personnel while on Buyer's property and naming TSC as an additional insured and expressly waiving any right of subrogation against TSC and its employees, officers and agents.

14. **INDEPENDENT CONTRACTOR**

Seller shall be considered as an independent contractor. All personnel furnished thereunder shall be employees of Seller and shall not be considered employees of Buyer. Seller shall not furnish personnel in any manner whereby personnel could be considered self-employed or independent contractors to Seller. Seller's employees shall be paid exclusively by Seller for all work performed for Buyer, and Seller shall be responsible for compliance with all requirements and obligations relating to such employees under local, state or federal law, including but not limited to social security, unemployment insurance, income tax, worker's compensation and immigration regulations. Buyer shall have the right to audit or obtain independent or government agencies assistance in auditing the Seller's personnel records, in order to determine if Seller is in compliance with the requirements and regulations contained herein.

15. **DISPUTES**

Except as otherwise provided in this contract, any dispute arising under this contract which is not disposed of by agreement shall be decided by Textron Systems Corporation's Buyer who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to Seller. The decision shall be final and conclusive. Should the Seller disagree with the Textron Systems Corporation's Buyer's final decision then Seller must follow the direction given and take any dispute to binding arbitration to be conducted in Boston, MA pursuant to the rules and regulations of the American Arbitration Association, which shall have the sole jurisdiction for such disputes. In such arbitration both sides shall split the cost of the arbitrator and each party shall be responsible for their own costs including attorney's fees.