

Attachment A
API Technologies Corp. - TERMS AND CONDITIONS
FOR US GOVERNMENT FLOW DOWN PROVISIONS

<u>Notes</u>	<u>FAR Clause</u>	<u>Title</u>	<u>Applicability</u>
	52.203-6	Restriction on Subcontractor Sale to the Government	If over \$150,000
	52.203-7	Anti-Kickback Procedures	If over \$150,000
	52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	If over \$150,000
	52.203-12	Limitation on Payments to Influence Federal Transactions	If over \$150,000
	52.203-13	* Contractor Code of Business Ethics and Conduct	If over \$5.5 million and over 120 days performance per.
	52.203-14	Display of Hotline Poster(s)	If over \$5.5 million
	52.203-17	Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights	If over \$150,000
	52.204-2	Security Requirements	If access to classified information is required
	52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	If over \$35,000
	52.211-15	Defense Priority and Allocation Requirements	If a rated Order
	52.214-26	Audit and Records - Sealed Bidding	If over \$750,000
	52.214-28	Subcontractor Cost or Pricing Data - Modifications - Sealed Bidding	If over \$750,000
(1)	52.215-2	Audit and Records - Negotiation	As set forth in clause
(2)	52.215-10	Price Reduction for Defective Cost or Pricing Data	If above \$750,000
(3)	52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications	If above \$750,000
	52.215-12	Subcontractor Cost or Pricing Data	If above \$750,000
	52.215-13	Subcontractor Cost or Pricing Data - Modifications	If above \$750,000
	52.215-14	Integrity of Unit Prices	As set forth in clause
	52.215-15	Pension Adjustments and Asset Reversions	If over \$750,000
	52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions	If over \$750,000
	52.215-19	Notification of Ownership Changes	If over \$750,000
	52.219-8	* Utilization of Small Business Concerns	If further subcontracting opportunities
	52.222-4	Contract Work Hours and Safety Standards Act-Overtime Compensation	If subcontract may involve employment of laborers and mechanics
	53.222-21	* Prohibition of Segregated Facilities	If FAR 52.222-26 applies
	52.222-26	* Equal Opportunity	Unless exempted by the rules, regulations or orders of the Secretary of Labor

under EO 11246

52.222-35	* Equal Opportunity for Veterans	If \$150,000 or more
52.222-36	* Equal Opportunity for Workers with Disabilities	If over \$15,000
52.222-37	* Employment Reports on Veterans	If over \$150,000
52.222-40	* Notification of Employee Rights Under the National Labor Relations Act	If over \$10,000 and performed in the U.S.
52.222-50	* Combating Traffic in Persons	
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	If over \$3,500
52.225-8	Duty Free Entry	As set forth in clause
52.225-13	Restrictions on Certain Foreign Purchases	
52.227-1	Authorization and Consent	If over \$150,000
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	If over \$150,000
52.227-11	Patent Rights-Ownership by the Contractor	As set forth in clause
52.227-13	Patent Rights-Ownership by the Government	As set forth in clause
52.230-2	Cost Accounting Standards	As set forth in clause
52.230-3	Disclosure and Consistency of Cost Accounting Practices	As set forth in clause
52.230-6	Administration of Cost Accounting Standards	As set forth in clause
52.243-1	Changes - Fixed Price [Not really a mandatory flowdown]	
(4) 52.245-1	Government Property	As set forth in clause
52.246-23	Limitation of Liability [Not mandatory but desirable]	
52.246-24	Limitation of Liability-High Value [Not mandatory but desirable]	
52.247-63	Preference for U.S. Flag Air Carriers	
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels	As set forth in clause
(5) 52.249-2	Termination for Convenience of the Government (Fixed Price)	
(6) 52.249-8	Default	
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	First tier subcontracts over \$150,000
252.203-7004	Display of Hotline Posters	Over \$5.5 million
252.204-7000	Disclosure of Information	
252.211-7000	Acquisition Streamlining	If over \$1.5 million
252.219-7004	Small Business Subcontracting Plan (Test Program)	As set forth in clause
252.225-7007	Communist Chinese Military Companies	If item is covered by U. S. Munitions List
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	As set forth in clause

	252.225-7013	Duty-Free Entry	As set forth in clause
(7)	252.227-7013	Rights in Technical Data – Noncommercial Items	As set forth in clause
(7)	252.227-7015	Technical Data - Commercial Items	As set forth in clause
	252.227-7016	Rights in Bid or Proposal Information	
	252.235-7003	Frequency Authorization	As set forth in clause
	252.247-7023	Transportation of Supplies by Sea	As set forth in clause

NOTES

- (1) The words "Contracting Officer, or an authorized representative of the Contracting Officer" shall mean only bona fide employees of the U.S. Government and expressly excludes Buyer or Buyer's non-government representatives.
- (2) In Subparagraph (a) item (3), delete the word "accordingly" and substitute the words, "...by an amount not to exceed the amount of the defect at Seller's price level".
- (3) In Subparagraph (b) item (3), delete the word "accordingly" and substitute the words, "...by an amount not to exceed the amount of the defect at Seller's price level".
- (4) A separate maintenance agreement shall be entered into between Buyer and Seller for other than routine maintenance requirements.
- (5) Buyer shall terminate the Order only in the event, and only to the extent to, Buyer's Order is terminated by its Buyer. The words "Contracting Officer" shall not mean "Buyer".
- (6) In paragraph (b) after the word "services" add the following:

“Reprocurement costs shall be applicable only to that portion of the Order terminated in whole or part for default. Said costs will not exceed 3% of the original sales value of that portion terminated for default and will be remitted upon proper justification of the aforementioned costs by the Buyer to Seller. This clause sets forth the Buyer's sole and exclusive remedy and Seller's sole liability in the event the Order with Seller is terminated for default.”
- (7) Except as otherwise expressly agreed to in writing by Seller, all data pertaining to manufacturing inspections and/or testing, methods, processes or techniques and/or computer software or other data developed by Seller, which is deemed proprietary and utilized under the Order, shall remain the sole property of Seller and Buyer further waives any claim to such data or intellectual property.