



A WHOLLY OWNED SUBSIDIARY OF AIR INDUSTRIES GROUP
 1479 CLINTON AVE. BAY SHORE, NY 11706
 Phone: 631-968-5000 Fax: 631-968-5377
 Website: www.airindustriesgroup.com

PURCHASE ORDER TERMS AND CONDITIONS

DATE	REV.	REVISION HISTORY	APPROVAL
11/23/09	C	Deleted Section “QAP 1.15...” requirement in section “N” under General.	Dario Peragallo
07/05/10	D	Section VIII...1) Item A revised to include FAR 52.245-1 (was FAR 52.245-2) enhanced requirements. 2) Deleted Item B, 3) Item C is now Item B.	Dario Peragallo
03/18/13	E	General: F. Delivery – revised to add ATS/Barcode requirement	Paula Castellano
09/15/17	F	Added Section X....6) Denied Party Screening, 7) Supplier shall notify	Nancy Meehan
4/5/18	G	Added Nassau Tool Works, Updated Website	John Spiotta
5/15/18	H	Complete review and update.	Nancy Meehan
8/08/2023	I	Added Section X ... 8) Monitoring of Govt Database Per Gil Sarabia (Quality)	Nancy Meehan
2/21/24	J	Added Section X Para. 8, and Section XII	John Spiotta

AGREEMENT:

The terms and conditions of this purchase order set forth the entire agreement between the parties hereto and supersede all previous communications, proposals, representations or agreements, whether written or oral. No agreement or understandings which varies or extends the terms or conditions of this purchase order will be binding unless issued in writing by the Buyer or a duly assigned officer or representative of Air Industries Corporation/Nassau Tool Works. No conditions stated by the Seller in its acknowledgement of this order shall be binding upon the Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions stated herein. Any such conditions, if not agreed to by the Buyer through a subsequent purchase order amendment, have been rejected by the Buyer.

The supplier is to maintain an effective quality system to ensure product and process integrity, certified according to ISO9000 / AS9100 (or equivalent), the supplier has to inform Air Industries Corporation/Nassau Tool Works of any change in its qualification status.

The supplier shall immediately notify Air Industries Corporation/Nassau Tool Works, in writing, of any change to the quality management system that may affect the inspection, conformity or airworthiness of the product after the issue of initial Air Industries Corporation/Nassau Tool Works quality management system approval, each change to the quality control system is subject to review by Air Industries Corporation/Nassau Tool Works.

GENERAL:

- A. This purchase order is a complete and exclusive statement of terms, and supersedes all prior agreements whether written or verbal.
- B. The Term “FAR” means the Federal Acquisition Regulation. The term “DoD FAR Supplement” means the Department of Defense Supplement to FAR. All FAR and DoD FAR Supplement clauses are those extant on the effective date of this purchase order.
- C. Commercial (non-government) purchase orders are subject to all FAR and DoD FAR Supplement clauses (or their successors) referenced herein, except those contained in the “Government Contract” section below.

- D. The rights and remedies set forth in this purchase order are in addition to and may modify but not substitution for those provided in law and equity. This purchase order shall be governed by and construed according to the domestic substantive laws of the State of New York. All jurisdiction and venue shall lie in the State of New York, County of Suffolk, including Federal Courts therein. Each party hereby waives its right to trial by jury in any action, suit, claim, counterclaim or proceeding of any kind arising out of or in connection with this purchase order.
- E. The Seller warrants that the unit price(s) of the item(s) covered hereby are as low as those currently charged by the Seller to any other customer purchasing the same item(s) in like or smaller quantities under similar conditions. The Seller agrees to reimburse Air Industries Corporation/ Nassau Tool Works promptly in the amount of the difference between the lower price charged to any other customer and the price charged Air Industries Corporation/ Nassau Tool Works.
- F. DELIVERY: 15 days prior to delivery of goods or services, an Air Industries Corporation/ Nassau Tool Works representative will contact the purchase order Supplier to check status and issue an ATS/Barcode label. It is the responsibility of the purchase order Supplier to request an ATS/Barcode from the purchase order Buyer if not received. Deliveries must have an ATS/Barcode label on the outside of container and attached to the packing list. Purchase order dates are SHIP DATES and no product should be shipped or invoiced prior to this date without authorization from the purchase order Buyer or other Air Industries Corporation/ Nassau Tool Works representative. Items received without an ATS/Barcode are subject to refusal by receiving and/or returned at the Sellers expense, or Sellers invoice will be paid in accordance with the terms of the purchase order and original delivery date. On a quarterly basis, the Supplier will receive their delivery performance rating. Failure to deliver per the Purchase Order delivery date on a constant basis, may lead to being disapproved as a qualified supplier.
- G. DRAWINGS, SPECIFICATIONS, TECHNICAL INFORMATION: All drawings, specifications, and materials, including data, designs, inventions, CNC programs, tooling/fixtures, and other technical information supplied by Air Industries Corporation/ Nassau Tool Works in connection herewith (hereinafter called "data") shall remain the property of and shall be held in confidence by the supplier. Except in the performance of this order, such data shall not be reproduced, used and/or disclosed to others by the supplier, including any government, person, or firm without Air Industries Corporation/ Nassau Tool Works written consent.
- H. If this purchase order does not contain unit pricing, supplier must submit quotation to buyer prior to proceeding. DO NOT PROCEED WITHOUT WRITTEN ACCEPTANCE OF PRICE AND DELIVERY.
- I. ITEMS THAT ARE CONTROLLED BY THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR): Data and product must be controlled in accordance with ITAR regulations. Diversion contrary to United States Law is prohibited.
- J. CATIA: If a purchase order specifies CATIA models, the Supplier must be capable to open and to use CATIA version identified by contract, and further issues as required by Air Industries Corporation/ Nassau Tool Works. If used, coordinate measuring software and hardware will have to read and use these files without data corruption. The Supplier will have to prove that no corruption occurs and make this proof approved by Air Industries Corporation/ Nassau Tool Works.
- K. The supplier shall immediately notify Air Industries Corporation/ Nassau Tool Works, in writing, of any change to the manufacturing facility location of the contracted part number or assembly.
- L. Parts shipped to Air Industries Corporation/ Nassau Tool Works must be 100% inspected and accepted by the supplier. Any rework which needs to be performed by Air Industries Corporation/ Nassau Tool Works will be debited from the Suppliers invoice.
- M. On purchase orders that require Air Industries Corporation/ Nassau Tool Works first piece inspection, the supplier is required to call the first piece inspection department to give a **24-hour advance notice** of part coming in for inspection. Acceptance by Air Industries Corporation/ Nassau Tool Works whether for first piece or final, does not release Supplier of any liability to manufacture the product to the purchase order and/or specifications.
- N. All parts must be protected against damage and corrosion during delivery and performance of the order, utilizing sound packaging practices.

- O. The supplier is responsible to ensure that material utilized for the performance of the order whether consigned by Air Industries Corporation/ Nassau Tool Works or furnished by the Supplier, is to be segregated to insure traceability and prevent being intermingled with other material.

I. INSPECTION AND WARRANTY:

A. FAR 52.246-2 Inspection of Supplies-Fixed Price applies. Notwithstanding any prior inspection or test payment, or receiving document, supplies are subject to final inspection and acceptance at destination stated herein.

B. Warranty:

1) Notwithstanding inspection and acceptance by Air Industries Corporation/ Nassau Tool Works of supplies furnished under this purchase order or any provision of this purchase order concerning the conclusiveness thereof, Seller warrants that all supplies furnished under this purchase order will be free from defects in material, workmanship and design, and will conform in all respects with the specifications and all other requirements of this purchase order.

2) Air Industries Corporation/ Nassau Tool Works shall give notice to the Seller of any breach of warranty hereunder within twenty-four (24) months after delivery to Air Industries Corporation/ Nassau Tool Works or with respect to supplies purchased for resale (either by themselves or incorporated as a component in a deliverable end item), within one (1) month after Air Industries Corporation/ Nassau Tool Works pertinent warranty obligations to its customer expire.

3) In the event of a breach of warranty hereunder, Air Industries Corporation/ Nassau Tool Works may at no increase in purchase order price or other cost to Air Industries Corporation/ Nassau Tool Works, either: (a) require the prompt correction or replacement of defective or otherwise nonconforming supplies or parts thereof; or (b) retain such supplies, whereupon the price thereof shall be reduced by an amount equitable under the circumstances; or (c) correct or replace such supplies with similar supplies by purchase order or otherwise, and charge to Seller the cost occasioned to Air Industries Corporation/ Nassau Tool Works thereby. Seller shall also prepare and furnish to Air Industries Corporation/ Nassau Tool Works data and reports applicable to any correction or replacement required under this clause (including revision and updating of all other affected data called for under this purchase order) at no increase in the purchase order price or other cost to Air Industries Corporation/ Nassau Tool Works.

4) In the event of any breach of warranty thereunder, transportation charges and other incidental expenses, and responsibility for supplies until redelivery at Air Industries Corporation/ Nassau Tool Works or other destination, shall be borne by Seller.

5) Any supplies or part thereof corrected or furnished in replacement pursuant to this clause shall also be subject to all the provisions of this clause to the same extent as supplies initially delivered. The warranty with respect to such supplies or parts thereof shall be equal in duration to that set forth in the above and shall run from the date of delivery of such corrected or replaced supplies.

6) Effect of Air Industries Corporation/ Nassau Tool Works Approvals: Air Industries Corporation/ Nassau Tool Works approval of Seller-generated designs, drawings, or other technical documents shall in no way relieve Seller of its obligation under this or any other clause of this purchase order.

II. CHANGES:

A. Air Industries Corporation/ Nassau Tool Works may at any time, by a written order, and without notice to the sureties, if any, make changes within the general scope of this purchase order in any one or more of the following (1) drawings, designs, specifications, and other technical documents; (2) method of shipment or packing; (3) place of delivery; (4) quantity of supplies (increase only); (5) delivery schedule; (6) place of inspection; (7) place of acceptance.

B. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this purchase order, whether or not changed by the change order, Air Industries Corporation/ Nassau Tool Works shall make an equitable adjustment in the purchase order price, the delivery schedule, or both, and shall modify the purchase order accordingly. The Seller must assert its right to an adjustment under this clause in an amount stated within thirty (30) days from the date of receipt of the written order effecting the change.

C. If the Seller's proposal included the cost or property made obsolete or excess by the change, Air Industries Corporation/ Nassau Tool Works shall have the right to prescribe the manner of the disposition of the property.

D. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" clause hereof. However, Seller shall not be excused from proceeding with the purchase order as changed.

III. STOP WORK:

FAR 52.212-13 Stop-Work Order applies, except that the 90-day period in the first and fourth sentences of paragraph

(a) is changed to 120 days.

IV. CANCELLATION AND TERMINATION:

A. Cancellation (Default Termination):

- 1) Air Industries Corporation/ Nassau Tool Works may, at its election, cancel this purchase order in whole or in part by giving notice of default to Seller if
 - (a) Seller refuses or fails to deliver the supplies, or any installment thereof, strictly within the time specified.
 - (b) Seller refuses or fails to comply strictly with any provision of or repudiates this purchase order.
 - (c) Seller becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors.
- 2) Upon cancellation Seller's liability to Air Industries Corporation/ Nassau Tool Works shall include (without limitation) the cost of effecting cover, by purchase or otherwise, and Air Industries Corporation/ Nassau Tool Works may require Seller to transfer title and deliver as directed all properly produced, procured, or allocated by Seller for the canceled portion hereof.
- 3) Delay or non-delivery shall not be excused unless (a) it arises solely as a result of unforeseeable causes beyond the control and without the fault or negligence of both Seller and its subcontractors at any tier, and (b) Seller gives timely notice to Air Industries Corporation/ Nassau Tool Works of both the delay or non-delivery and the cause thereof and exerts every possible effort to mitigate the effect of same on Air Industries Corporation/ Nassau Tool Works.
- 4) Air Industries Corporation/ Nassau Tool Works liability to Seller after cancellation shall be limited to the sum of the agreed price of accepted supplies (equitably reduced if they are non-conforming) and, should Air Industries Corporation/ Nassau Tool Works pursuant to (2) above, require the delivery of property, the smallest of (a) its reasonable market value, (b) its cost to Seller, or (c) the approximate amount the settlement would have been had the cancellation been a termination pursuant to B (See below).
- 5) If, after notice of cancellation, it is determined that Seller was not in default (in that none of the conditions set forth in A, 1) (a), (b), or (c) above existed), the cancellation shall be considered a termination pursuant to B (See below)

B. Termination (For Convenience):

FAR-52.249-2 Termination for Convenience of the Government applies, except that:

- (1) Paragraph (c) is deleted;
- (2) The 1 year period in paragraph (d) is reduced to six (6) months; and
- (3) The 90-day period in paragraph (k) is reduced to forty-five (45) days.

C. General:

Upon cancellation or termination Air Industries Corporation/ Nassau Tool Works may require that Seller assign, instead of terminate, its purchase orders and subcontractors hereunder, to the extent and Seller shall promptly comply with any such requirement. Seller shall continue the performance hereof to the extent not canceled or terminated.

V. INDEMNITY AGAINST INFRINGEMENT:

Unless the supplies are made to a detailed design of Air Industries Corporation/ Nassau Tool Works, Seller shall at its expense defend, indemnify, and hold Air Industries Corporation/ Nassau Tool Works and its customers harmless against any claim of patent, copyright, trademark or trade secret infringement provided that timely notice of such claim is given to Seller.

VI. CONFIDENTIAL DISCLOSURE AND LIMITED USE:

Seller shall keep confidential all designs, processes, drawings, specifications, reports, computer software, data and other technical or proprietary information and the features of all parts, equipment, tools, gauges, patterns and other items furnished or disclosed to Seller or manufactured by Seller shall use such information and items, and the features thereof, only in the performance of this order, provided, however, that upon prior written notice to Air Industries Corporation/ Nassau Tool Works and to the extent such use will not interfere with Seller's performance of purchase orders with Air Industries Corporation/

Nassau Tool Works in effect at the time Seller enters into a direct contract with the U.S. Government, Seller shall have the right to use such information and items for direct sale to the U.S. Government to the extent the Government has the right under its prime contracts with Air Industries Corporation/ Nassau Tool Works to authorize such use by Seller. To the extent practicable, Seller shall prominently and permanently identify each such end item as manufactured by Seller for direct sale to the U.S. Government. Upon completion or termination of this order, Seller shall, at Seller's expense, make such disposition of all such information and items as may be directed by Air Industries Corporation/ Nassau Tool Works.

VII. NON-DELEGATION OF PERFORMANCE:

No substantial part of Seller's obligation shall be performed by others without Air Industries Corporation/ Nassau Tool Works consent. No breach hereof shall vest rights against Air Industries Corporation/ Nassau Tool Works third party.

VIII. PROPERTY, SPECIAL TOOLING AND TEST EQUIPMENT:

- A. The clauses contained in FAR 52.245-1, Government Property applies. Extent of Reporting Loss, Damage, Destruction, and Theft Liability of Government Property: Obtain annual inventory certifications from subcontractor to include in our annual inventory reporting submission to DCMA Garden City, disclosure of excess of Government property, and other contractual requirements. All property provided must be clearly stated within Air Industries Corporation/ Nassau Tool Works purchase order(s) and as a minimum Air Industries Corporation/ Nassau Tool Works job number that the property is to be used for is stated on the purchase order.
- B. Seller, while in possession of property of the Buyer, or the Buyer's customer shall be liable for its loss or damage except for reasonable wear and tear and/or normal manufacturing losses. Seller shall maintain such property, in good condition, and dispose of same as instructed by the Buyer at the completion on this order.

IX. DISPUTES:

Pending final resolution of any dispute or controversy arising under or related to the purchase order, whether by agreement or by a final judgment, Seller shall proceed diligently with the performance hereof according to Air Industries Corporation/ Nassau Tool Works decision and direction.

X. GOVERNMENT CONTRACTS:

If this is a Government subcontract, the following provisions apply:

A. FAR OR DOD FAR SUPPLEMENT CLAUSES OR THEIR SUCCESSORS:

- 1) FAR 52.203-6 (Restrictions on Subcontractor Sales to the Government); 52.203-7 (Anti-Kickback Procedures); 52.2042 (New Material); 52.210-7 (Used on Reconditioned Material, Residual Inventory, and Former Government Surplus Property); 52.215-1 (Examination of Records by Comptroller General); 52.215-2 (Audit-Negotiation); 52.215-26 (Integrity of Unit Prices); 52.219-8 (Utilization of Labor Surplus Area Concerns); 52.222-1 (Notice to the Government of Labor Disputes); 52.222-4 (Contract Work Hours and Safety Standards Act – Overtime Compensation); 52.222-20 (Walsh-Healy Public Contracts Act); 52.222-26 (Equal Opportunity); 52.222-35 (Affirmative Action for Special Disabled and Vietnam Veterans); 52.222-36 (Affirmative Action for Handicapped Workers); 52.223-2 (Clean Air and Water); 52.225-10 (Duty Free Entry); 52.225-11 (Certain Communist Areas); 52.227-1 (Authorization and Consent), if included in the controlling prime contract; 52.227-2 (Notice and Assistance Regarding Patent and Copyright Infringement); 52.227-6 (Royal Information); 52.227-10 (Filing of Patent Applications-Classified Subject Matter); 52.243-7 (Notification of Changes); 52.246-16 (Responsibility for Supplies).
- 2) DoD FAR Supplement: 52.203-7001 (Special Prohibition on Employment); 52.207-7000 (Required Sources for Miniature and Instrument Ball Bearings); 52.208-7001 (Required Sources for Precision Components for Mechanical Time Devices); 52.208-7002 (Required Sources for High Purity Silicon); 52.208-7003 (Required Sources for High Carbon Ferrochrome); 52.215-7000 (Aggregate Pricing Adjustment); 52.225-7008 (Duty-Free Entry – Qualifying Country End Products and Supplies); 52.225-7011 (Preference for Domestic Specially Metals (Major Programs)); 52.225-7013 (Preference for Domestic Hand or Measuring Tools); 52.227-7013 (Right in Technical Data and Computer Software)

- including Alternate I hereto; 52 Technical Data); 52.227-7030 (Technical Data-Withholding of Payment); 52.227-7036 (Certification of Technical Data Conformity); 52.227-7037 (Validation of Restrictive Markings on Technical Data); 52.228-7006 (Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles); 52.243-7000 (Engineering Change Proposals); 52.243-7001 (Pricing of Adjustments).
- 3) In addition, if this purchase order exceeds \$100,000, FAR 52.215-24 (Subcontractor Cost or Pricing Data) and DoD FAR Supplement 52.204-7005 (Overseas Distribution of Defense Subcontracts); if this contracting plan, and FAR 52.220-4 (Labor Surplus Area Subcontracting Program), and if this purchase order exceeds \$100,000,000 DoD FAR Supplement 52.235-7002 (Recovery of Nonrecurring Costs on Commercial Sales).
 - 4) If this purchase order is for experimental, developmental or research work FAR 52.227-12 Patent Rights – Retention by the Contractor (Long Form) applies, unless Seller is a small business concern or nonprofit organization as defined in FAR 27.301, in which event FAR 52.227-11 Patent Rights Retention by the Contractor (Short Form) applies.
 - 5) If this purchase order is issued under a National Aeronautics and Space Administration (NASA) prime contract, all reference to the DoD FAR Supplement shall mean the comparable NASA FAR Supplement provisions, and the following additional NASA FAR Supplement provisions shall apply; 18.52.204-70 (Report on NASA Subcontracts); 18.52.204-71 (NASA Contractor Financial Management Reporting); 18.52.223.71 (Frequency Authorization); 18.52.227-70 (New Technology); and 18-52.244-70 (Geographic Participation in the Aerospace Program).
 - 6) Denied Party Screening: Supplier shall perform denied party screening on its employees and other parties (including sub-tier suppliers) whom Supplier engages to perform production activities or services under this purchase order. The Supplier must identify any person or entity that is ineligible to perform such activities or services because they are either identified as a Specially Designated National (“SDN”), as determined by the U.S. Office of Foreign Assets Control (“OFAC”), or identified as a denied party pursuant to any embargo, sanction, debarment or denied party designation maintained by the U.S. Government or any non-U.S. government or union of states (e.g., European Union).
 - 7) Supplier shall notify Buyer immediately, in writing, if any of Supplier’s employees or sub-tier suppliers have been designated as an SDN, debarred, sanctioned or designated as a denied party and have performed production activities or services under this purchase order. Supplier shall conduct periodic rescreening on a quarterly basis and shall maintain records for a period of five (5) years and make these records available to Buyer upon request. Supplier shall incorporate this provision in all subcontracts with its suppliers or independent contractors with whom Supplier engages or employs to perform production activities or services under this purchase order.
 - 8) Monitoring of Government Databases
Air Industries monitors the U.S. Government’s System for Award Management (SAM) Exclusions database and other restricted parties lists and complies with applicable limitations on awards to debarred, suspended, proposed for debarment, or otherwise restricted subcontractors

B. ADDITIONAL FAR AND DoD FAR SUPPLEMENT CLAUSES AND OTHER CONDITIONS:

Additional FAR and DoD FAR Supplement clauses and other conditions as are made mandatory under Air Industries Corporation/ Nassau Tool Works prime contract may be incorporated into the purchase order at a later date. The Seller agrees to negotiate promptly with Air Industries Corporation/ Nassau Tool Works for the inclusion of such additional clauses and other conditions.

C. LIMITATION OF LIABILITY:

(Applicable only if the controlling Government contract contains the FAR 52.246-23 Limitation of Liability Clause).

- 1) Except as provided in subparagraphs (2) and (3) below, and except for remedies expressly provided elsewhere in this order, Seller shall not be liable for loss of or damage to property of the Government (excluding the supplies delivered under this purchase order even if and when same become property of the Government) that (a) occurs after acceptance by the Government of the end-items into which the supplies delivered under this purchase order become incorporated, and (b) results from any defects or deficiencies in the supplies.
- 2) The limitations of liability under paragraph (1) above shall not apply when a defect or deficiency in, or Air Industries Corporation/ Nassau Tool Works acceptance of, the supplies, or the Government's acceptance of the end-items into which such supplies are incorporated,

results from willful misconduct or lack of good faith on the part of any of the Seller's managerial personnel. The term "Seller's managerial personnel, as used in this clause, means the Seller's directors, officers, and any of the Seller's managers, superintendents, or equivalent representatives, who have supervision or direction of. (i) all or substantially-all of the Seller's business; or (ii) all or substantially all of the Seller's operations at any one plant, laboratory, or separate location, at which this purchase order is being performed; or (iii) a separate and complete major industrial operation connected with the performance of this purchase order.

- 3) If Seller carries insurance, or has established a reserve for self-insurance, covering liability for loss or damage suffered by the Government either through purchase or use of the supplies to be delivered to Air Industries Corporation/ Nassau Tool Works under this purchase order or through purchase or use of the end items incorporating such supplies to be delivered by Air Industries Corporation/ Nassau Tool Works to the Government, Seller shall be liable to the Government, through Air Industries Corporation/ Nassau Tool Works, to the extent of such insurance or reserve, for the loss of or damage to property of the Government occurring after Government acceptance of the end-items into which the supplies delivered under the purchase order become incorporated and resulting from any defects or deficiencies in the supplies delivered under this purchase order.
- 4) Seller shall include this clause including this paragraph (4), supplemented as necessary to reflect the relationship of the contracting parties, in all subcontracts.

D. PRIORITIES:

When a priority symbol (e.g. DO-A1) appears on the face page hereof, Seller is required to follow the provisions of DMS Reg 1 and of all other applicable regulations and orders of BDSA in obtaining controlled materials and other products and material needed to fulfill this purchase order.

E. EEO CLAUSE IN SECTION 202 OF EXECUTIVE ORDER 11246:

The Equal Employment Opportunity clause in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended, relative to equal employment opportunity and the implementing Rules and Regulations of the Office of Federal Contract Compliance are incorporated herein by specific reference.

F. CONTRACT DISPUTES ACT OF 1978:

If Air Industries Corporation/ Nassau Tool Works determines that a claim submitted by Seller may become part of an Air Industries Corporation/ Nassau Tool Works dispute, S601613, Seller shall, on request, provide Air Industries Corporation/ Nassau Tool Works with a written certification, in such form and detail as Air Industries Corporation/ Nassau Tool Works may require, stating that the Seller's claim is made in good faith, the supporting data are accurate and complete to the best of the Seller's knowledge and belief, and the amount requested accurately reflects the purchase order adjustment for which the Seller believes Air Industries Corporation/ Nassau Tool Works is liable. Notwithstanding another provision of this purchase order, Seller agrees to indemnify and hold Air Industries Corporation/ Nassau Tool Works harmless against any loss or damage suffered by Air Industries Corporation/ Nassau Tool Works.

XI. RIGHT OF ENTRY:

Air Industries Corporation/ Nassau Tool Works may send its representatives to the manufacturer's plant during the fabrication period to review program status. Furthermore, representatives of Air Industries Corporation/ Nassau Tool Works, its customer, and/or the Federal Aviation Administration (if non-domestic, equivalent government agency) may inspect and evaluate the Seller's facilities' system, data, all records, equipment, personnel and all completed articles manufactured for conformance with applicable contracts and specification.

XII. SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct, referenced in all new purchase orders, expresses the expectations we hold for our suppliers.

1) CODES OF CONDUCT & SUB-TIER SUPPLIERS

Commensurate with the size and nature of their business, it is expected that our suppliers maintain management systems to support compliance with laws, regulations, and expectations related to or addressed expressly within the Supplier Code of Conduct. We encourage our suppliers to develop and implement written codes of conduct, and to flow down the principles of a code of conduct to the entities that furnish goods and services to the supplier.

2) HUMAN TRAFFICKING

It is expected that our suppliers do not engage in the use of bonded (including debt bondage), forced or indentured labor, slavery, involuntary prison labor, or trafficking of persons. This includes transporting, harboring, transferring, recruiting, or receiving vulnerable persons by means of coercion, threat, force, abduction, or fraud for the purpose of exploitation.

3) MONITORING THIRD PARTY SOURCES OF INFORMATION

Air Industries monitors multiple sources of third-party information including international news sources. If adverse information concerning an Air Industries supplier is discovered, the matter will be investigated, and appropriate action taken.

4) INVESTIGATIONS

Air Industries will investigate evidence or allegations that subcontractors have violated human trafficking prohibitions.

Air Industries will make appropriate disclosures to the U.S. Government of violations by subcontractors and cooperate with any Government investigation.