



GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

This Purchase Order constitutes the entire contract between the vendor or seller named on the face hereof (“Supplier”) and LMI Aerospace, Inc., or one of its affiliates (“Buyer”) covering the goods described in this Purchase Order (the “goods”). Supplier’s acceptance of this Purchase Order shall constitute Supplier’s agreement to the terms and conditions stated herein, without any modification, addition or alteration. Commencement of performance by Supplier or acknowledgement by Supplier of this Purchase Order shall constitute Supplier’s acceptance of these terms and conditions notwithstanding any contrary provisions appearing on any forms of Supplier.

GENERAL TERMS AND CONDITIONS

1. **SPECIFICATIONS:** Supplier shall comply with any specifications stated on the face of this Purchase Order and with any applicable United States Government specifications. Upon request, Supplier shall provide Buyer with a certificate executed by an authorized representative of Supplier setting forth Supplier’s agreement to comply with all such applicable specifications.
2. **INSPECTION:** Supplier grants Buyer (or customers of Buyer or any governmental regulatory agencies) quality control access to Supplier’s plant or manufacturing facilities, including the freedom to witness and audit all phases of fabrication, testing, and storage of the goods sold to Buyer. Preliminary inspection by Buyer or the failure of Buyer to inspect the goods shall not be deemed to constitute acceptance of any goods which do not conform to the specifications therefor, or to waive any of Buyer’s rights or remedies arising by virtue of such defects or non-conformance. If any goods are found to be defective or otherwise not in conformity with the requirements of this Purchase Order, Buyer may, in addition to its other rights and remedies, reject such goods and require their prompt correction or their replacement at Supplier’s expense, including shipping and packaging charges. Alternatively, Buyer may repair or replace such nonconforming goods at Supplier’s expense, along with electing any other remedy provided in Section 11 or at law.
3. **INSPECTION OF RECORDS AND PLANT:** If this Purchase Order is a subcontract under a government prime contract, Supplier agrees that its books, records, and its plant, or other such parts of its plant as may be engaged in the performance of this Purchase Order, shall at all reasonable times be subject to inspection and audit by any authorized representative of Buyer and any Department of the United States Government.
4. **PRICE:** The price of the goods to be delivered is specified on the Purchase Order and no Purchase Order shall be filled at prices higher than specified herein. If price terms are omitted from the face hereof, the price of the goods shall be the lower of (i) the price last quoted or paid (whichever is later), or (ii) the prevailing market price at the time of shipment, or time and material as expressly defined by the terms

of the Purchase Order. Unless otherwise provided herein, prices set forth in this Purchase Order include all applicable federal, state and local taxes and duties or other charges. Buyer shall not be responsible for charges for packing, boxing, storage or cartage, unless expressly included on the face of this Purchase Order. Supplier represents and warrants that the price is no higher than the lowest prices offered by Supplier to any customer purchasing the same or lesser total aggregate dollar or unit volume.

5. DELIVERY: The delivery date for the goods to be delivered by Supplier shall be specified on the Purchase Order. Time is of the essence in the delivery by Supplier of goods specified in this Purchase Order. Failure of the Supplier to make delivery of goods within the time specified on the face of the Purchase Order, or within any extension specified by written change Purchase Order, shall be a material breach hereof. If Supplier fails to meet its scheduled delivery dates Buyer may require expedited shipment at no additional cost to Buyer. In addition and without limiting any other of Buyer's rights or remedies, either as set out in this Agreement or at law or in equity, Buyer may assess liquidated damages of one percent (1%) per day of the price of the goods until such goods are delivered to Buyer.

Supplier shall not deliver and Buyer shall not be obligated to accept goods delivered more than five (5) days in advance of the delivery date specified on the Purchase Order unless Buyer has specifically authorized such early delivery in writing, in advance.

6. QUANTITIES: The quantity of goods to be delivered by Supplier shall be set forth in the Purchase Order. Supplier shall not deliver and Buyer shall not be obligated to accept quantities of goods in excess of the quantity specified on this Purchase Order ("Excess Goods"). Buyer shall have the right to reject and return to Supplier at Supplier's expense, any Excess Goods and Buyer shall not be charged for or obligated to pay for Excess Goods unless Buyer, at its option, elects to accept such Excess Goods.
7. SHIPMENT: The terms and routing of the shipment of goods shall be as provided on the face hereof, or as Buyer otherwise directs. Buyer may revise shipping instructions as to any goods not then shipped. Buyer shall have the right to delay delivery of any goods for a period of up to sixty (60) days at no cost to Buyer.
8. PAYMENT: Payment terms shall be net sixty (60), commencing upon the later of (i) receipt of Supplier's invoice or (ii) upon receipt of the goods. Buyer and its affiliates shall have the right, at any time, to set off and apply amounts owed hereunder against any obligation that Supplier or its affiliates owes to Buyer or any of its affiliates.

Invoices shall be sent to the following address unless otherwise noted:

LMI Aerospace
411 Fountain Lakes Blvd.
St. Charles MO 63301
Attn: Accounts Payable

9. **RISK OF LOSS:** Notwithstanding any provision hereof to the contrary, title to and risk of loss of the goods shall remain with Supplier until the goods are delivered at the F.O.B. point specified in this Purchase Order, or if no such point is specified, then when the goods are delivered to Buyer. However, if the goods are of an explosive, inflammable, toxic or otherwise dangerous nature, Supplier shall hold Buyer harmless from and against any and all claims asserted against Buyer on account of any personal injuries and/or property damages caused by the goods, or by the transportation thereof, prior to the completion of unloading at Buyer's plant or warehouse.
10. **WARRANTIES:** Supplier warrants to and covenants with Buyer as follows: (i) Supplier will deliver to Buyer title to the goods free and clear of all security interests, liens, charges, restrictions or encumbrances of any kind, nature or description; (ii) the goods shall comply with any applicable specifications/requirements provided by Buyer and shall be free from defects in material and/or workmanship for a period of not less than forty-eight months (48) from the date of delivery; (iii) unless otherwise specified in this Purchase Order, the goods shall be new and not used or reconditioned; (iv) the goods and their packaging shall conform to the description thereof and/or specifications therefor contained in this Purchase Order.
In the event of Supplier's breach of this Section 9, Buyer may take any or all of the following actions without prejudice to any rights or remedies available to Buyer by law: (i) require Supplier to repair or replace such goods, and upon Supplier's failure or refusal to do so within two business days of Buyer's request, repair or replace the same at Supplier's expense; (ii) reject any shipment or delivery containing defective or non-conforming goods and return for credit or replacement at Buyer's option, said return to be made at Supplier's cost and risk; (iii) cancel any outstanding deliveries hereunder and treat such breach by Supplier as Supplier's repudiation of this Purchase Order. In the event of Buyer's breach hereunder, Supplier's exclusive remedy shall be Supplier's recovery of the goods or the purchase price payable for goods shipped prior to such breach.
11. **SUBCONTRACTING:** Supplier agrees that it will not enter into a subcontract for the procurement of any goods covered by this Purchase Order in their complete or substantially complete form without first obtaining written approval of Buyer.
12. **ORDER OF PRECEDENCE:** In the event of any conflict between the terms specified on the face of the Purchase Order and any terms of these General Terms and Conditions, the terms specified on the face of the Purchase Order shall prevail.

13. **FORCE MAJEURE:** For the purposes of this Purchase Order, an event of “force majeure” shall mean any or all of the following events or occurrences: strikes, work stoppages or other labor difficulties; fires, floods or other acts of God; transportation delays; acts of government or any subdivision or agency thereof; or any other cause, whether or not similar to the causes or occurrence enumerated above which are beyond the control of the party claiming the occurrence of a force majeure event and which delays, interrupts or prevents such party from performing its obligations under this Purchase Order. Notwithstanding any provision hereof to the contrary, the reduction, depletion, shortage, curtailment or cessation of Supplier’s raw materials or any other supplies or materials of Supplier shall not be regarded as an event of force majeure. The party affected by a force majeure event shall give notice thereof to the other party within ten days following the occurrence thereof and shall apprise the other party of the probable extent to which the party declaring the force majeure event will be unable to perform or will be unable to perform or will be delayed in performing its obligations hereunder. The party declaring the force majeure event shall exercise due diligence to eliminate or remedy the force majeure cause and shall give the other party prompt notice when that has been accomplished. Except as provided herein, if performance of this Purchase Order by either party is delayed, interrupted or prevented by reason of any event of force majeure, both parties shall be excused from performing hereunder while and to the extent that the force majeure condition exists after which the parties’ performance shall be resumed. Notwithstanding the foregoing, within five days following Supplier’s declaration of a force majeure event which prevents its full and/or timely delivery of the goods hereunder, Buyer may, at its option and without liability (1) require Supplier to apportion among its customers the goods available for delivery during the force majeure period; (2) cancel any or all delayed or reduced deliveries; or (3) cancel any outstanding deliveries hereunder and terminate this Purchase Order. If Buyer accepts reduced deliveries or cancels the same, Buyer may procure substitute goods from other sources, in which event this contract shall be deemed modified to eliminate Supplier’s obligation to sell and Buyer’s obligation to purchase such substituted goods. After cessation of a force majeure event declared by Supplier, Supplier shall, at Buyer’s option but not otherwise, be obligated to deliver goods not delivered during the force majeure period. After cessation of a force majeure event declared by Buyer, neither party shall be obligated to deliver or purchase goods not so delivered and purchased during the force majeure period.
14. **TERMINATION FOR CONVENIENCE:** Buyer may terminate all or part of this Purchase Order effective as of the date specified by Buyer in accordance with the provisions of the Federal Acquisition Regulation (FAR) 52.249-2, “Termination for Convenience of the Government (Fixed Price),” which provisions, except for subparagraphs (d) and (j), are incorporated herein by reference. The terms “Government” and “Contracting Officer” shall mean “Buyer,” “Contractor” shall mean “Supplier,” and the phrase “1 year” is deleted each place it occurs and “six

Months” is substituted in its place. The time frame for requesting an equitable adjustment is reduced to 45 days.

TERMINATION FOR DEFAULT:

- (a) Buyer may, by written notice to Supplier, terminate all or part of this Purchase Order (i) if Supplier fails to deliver the goods within the time specified by this Purchase Order or any written extension; or (ii) if Supplier fails to perform any other provision of this Purchase Order or fails to make progress, so as to endanger performance of this Purchase Order, and, in either of these two circumstances, does not cure the failure within 10 days after receipt of notice from Buyer specifying the failure; or (iii) or if Supplier fails to comply with any term or condition stated herein; or (iv) in the event of Supplier’s suspension of business, insolvency, appointment of a receiver for Supplier’s property or business, or any assignment, reorganization of arrangement by Supplier for the benefit of its creditors.
 - (b) Supplier shall continue to supply goods not cancelled.
 - (c) If Buyer cancels all or part of this Purchase Order, Buyer may require Supplier to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed goods, (ii) any partially completed goods and materials, parts, tools, dies, fixtures, plans, drawings, information and contract rights (collectively, “Manufacturing Materials”) that Supplier has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction from Buyer, Supplier shall also protect and preserve goods in its possession in which Buyer or its customer has an interest.
 - (d) Buyer shall pay the price specified in the Purchase Order for goods accepted. Payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at Supplier’s direct costs. Buyer may withhold from any amount due under this Purchase Order any sum Buyer determines to be necessary to protect Buyer or Buyer’s customers against loss because of outstanding liens or claims of former lien holders.
15. **PATENTS:** It is anticipated that the goods will be possessed, used and/or sold by Buyer and/or its customers. If by reason of any of these acts a suit is brought or threatened for infringement of any patent, trademark, trade name of copyright with regard to the goods, their manufacture or use, Supplier shall at its own expense vigorously defend such suit and shall indemnify and save and hold Buyer and its customers harmless from and against all claims, damages, losses, demands, costs and expenses (including attorneys’ fees) in connection with such suit or threatened suit.
16. **LABOR:** If this Purchase Order covers the performance of labor by Supplier on Buyer’s premises, “Attachment A – Work on Premises of LMI Aerospace.” shall be attached hereto and incorporated herein by reference.

17. **AFFIRMATIVE ACTION:** 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, or national origin. 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, national origin, protected veteran status or disability.

18. **COMPLIANCE WITH LAW:** Seller warrants that in performance of all work under this Purchase Order Seller and its consultants and subcontractors have complied with or will comply with all applicable federal, state, local and foreign laws and ordinances, as amended, including, but not limited to all export laws, restrictions and regulations of the Department of Commerce, Department of State or other United States or foreign agency or authority governing the export of goods and services, the Occupational Safety and Health Act of 1970 (29 U.S.C. Sections 651, 678), the Fair Labor Standards Act of 1938, (29 U.S.C. Sections 201-219), the Work Hours and Safety Act of 1962 (40 U.S.C. Sections 327, 333), the Equal Employment Opportunity Act (42 U.S.C. Sections 2000e, et seq.) and Equal Employment Opportunity Clause prescribed by Executive Order 11246 dated September 24, 1965, as well as any other regulations promulgated under such Act and Executive Order. Seller warrants that in performance of work under this Purchase Order, Seller and its consultants and subcontractors have complied with all laws, regulations, statutes and ordinances of all governmental entities including local, state, federal and foreign, now or hereafter enacted or amended, which regulate any material because it is radioactive, toxic, hazardous or otherwise a danger to health, reproduction or the environment including, but not limited to, the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. Sections 9601,9615, 9631-9633, 9641, 9651 9657), the Resource Conservation Recovery Act of 1976, the Federal Water Pollution Control Act (33 U.S.C. Sections 1251, et seq.), the Clean Air Act (42 U.S.C. Sections 7401, et seq.), the Montreal Protocol on Substances that Deplete the Ozone Layer (42 U.S.C. Sections 7671, 7642), the Toxic Substances Control Act (15 U.S.C. Sections 2601, et seq.) and similar laws, rules, statutes, treaties or orders and international understandings.

Seller further agrees to comply with all applicable laws regarding requirements for small business and small disadvantaged business and women-owned small business concerns including, if appropriate, FAR 52.219-1 (MAY 1999), 52.219-2 (OCT. 1995), 52.219-8 (OCT. 1999) and 52.219-9 (OCT. 1999). Upon request, Seller agrees to issue certificates certifying compliance with any laws or regulations as may be applicable to the material, products or services furnished hereunder. Any clause required by any law, ordinance, rule or regulation to be included in a contract of the type evidenced by this Purchase Order shall be deemed to be incorporated herein.

Seller shall also provide all reasonable assistance to Buyer as may be requested by Buyer to ensure Buyer's compliance with all laws and regulatory reporting requirements. This includes, but is not limited to compliance with: U.S. and international export/import control laws and licensing requirements, FAA regulations and conflict mineral reporting requirements.

19. MATERIAL SOURCE: Raw material manufacturers or raw material distributors, as well as subcontractors providing raw material in their content to LMI, must ensure that metallic raw material content is manufactured by domestic (i.e. produced in the United States of America) sources. Utilization of any foreign source of metallic raw material content must be from a source approved by LMI's customer. Furthermore, LMI's Purchasing Agent must approve the source in writing.

20. MATERIAL SOURCE, DEPARTMENT OF DEFENSE: If items ordered hereon are for Department of Defense use, then DFARS 252.225-7008 Restriction on Acquisition of Specialty Metals and or 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals and or 252.225-7010 Commercial Derivative Article – Specialty Metals Compliance Certificates are incorporated herein by this reference and are required to be flowed down by Seller to all sub-tier subcontractors that deliver any components that contain domestic specialty metal content. The full requirement and definition of specialty metals is available online at:
<http://www.lmiarospace.com/SpecialtyMetals.pdf>. Sources for any materials from a source other than a domestic source of manufacture must have specific written approval by LMI's customer. Any contracts for components to support U.S. Department of Defense are required to adhere to the requirements of the Berry Amendment.

21. DESIGNS, TOOLS, DIES, ETC.: If the goods are to be produced by Supplier in accordance with designs, drawings, or blueprints furnished by Buyer, Supplier shall return the same to Buyer at Buyer's request upon completion or cancellation of this Purchase Order. Such designs and the like shall not be used by Supplier in the production of materials for any third party without Buyer's written consent. Such designs and the like involve valuable property rights of Buyer and shall be held confidential by Supplier. Unless otherwise agreed herein, Supplier at its cost shall supply all materials, equipment, tools and facilities required to perform this Purchase Order. Title to, and the right of immediate possession of, all property furnished by Buyer to Supplier shall remain in Buyer, except that title to such tooling or material which is identified as Government property shall remain in the Government. Title to any such property shall not be affected by the incorporation or attachment thereof to any property not owned by Buyer, nor shall any such property, or any part thereof, be or become a fixture of lose its identity as personality by reason of fixation to any realty. Property held by Supplier on behalf of Buyer shall be maintained in good condition. Supplier shall comply with the

provisions of FAR Subpart 45.5, "Management of Government Property in the Possession of Contractors." Property must be permanently identified showing the Government prime contract number (if one is indicated on this Purchase Order), the part number, and tool code number. If tooling is property of the Government, it shall be so identified. Property furnished by Buyer shall be used solely in the performance of work order by (a) Buyer or (b) the Government if the Government has title or rights in the property.

Property shall be subject at all times to disposition as Buyer may direct. Supplier agrees to maintain inventory control of all such tooling and property and to furnish inventories thereof when required by Buyer. Unless otherwise specified, Supplier shall be liable for any loss or destruction or damage to property furnished to Supplier by Buyer and Supplier shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear or for the utilization of it in accordance with the provision of the Purchase Order. Buyer and its customers shall have the right to enter Supplier's premises at all reasonable times to inspect their property and Supplier's records with respect thereto.

22. **BUYER SUPPLIED PROPERTY:** Buyer makes no warranties of any nature with respect to any property it may furnish to Supplier hereunder.
23. **GOVERNING LAW; Venue:** This Purchase Order and all terms and conditions thereof shall be deemed to be made in the State of Missouri and shall in all respects be construed and governed by the laws of that State, without regard to its conflict of laws provisions and without regard to the United Nations Convention on Contracts for the International Sale of Goods. Buyer and Supplier irrevocably consent to the exclusive jurisdiction of the Circuit Court of Saint Charles County, Missouri, and the Federal District Court for the Eastern District of Missouri, and the respective appellate courts for such courts, for the resolution of all disputes and controversies under this Purchase Order and waives any objection to venue in such courts and any claim that such forum is an inconvenient forum.
24. **INDEMNIFICATION:** Supplier shall indemnify and save and hold Buyer harmless from and against any and all damages losses, demands, costs penalties, fines, expenses (including without limitation attorneys' fees), and other liability arising from claims by third parties or Supplier's performance or breach of its obligations hereunder, including without limitation, those set forth in paragraphs 8, 16 and 18 of this Purchase Order.
25. **PUBLICITY:** Without Buyer's prior written approval, Supplier shall not, and shall require that its subcontractors or suppliers shall not, release any publicity, advertisement, news release or denial or confirmation of the same, regarding any order or goods, or the program to which they may pertain. Supplier shall be liable to Buyer for any breach of such obligation by any subcontractor or supplier.
26. **MISCELLANEOUS:**

- (a) This Purchase Order may be performed and all rights hereunder against Supplier may be enforced, wholly or in part, by Buyer or any one or more of the entities now or hereafter subsidiary to or affiliated with Buyer.
- (b) The waiver of any term, condition or provision hereof shall not be construed to be a waiver of any other such term, condition or provision, nor shall such waiver be deemed a waiver of a subsequent breach of the same term, condition or provision.
- (c) Supplier shall not assign its rights or obligations under this Purchase Order without the prior written consent of Buyer.
- (d) Supplier shall not insure the goods for Buyer's account unless the terms of this Purchase Order so require.
- (e) Stenographic and clerical errors, whether in mathematical computations or otherwise, made by Buyer on this Purchase Order or any other forms delivered to Supplier shall be subject to correction in Buyer's discretion.
- (f) The entire understanding and agreement of the parties with respect to the transactions contemplated by this Purchase Order is contained in this document, and any prior understandings, agreements, and representations, oral or written, shall be deemed superseded and merged herein. Any modification hereof, to be valid, must be in writing and executed by both parties.