

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K/A

Annual Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the fiscal year ended: December 31, 2015

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-35927

**AIR INDUSTRIES GROUP**

(Name of small business issuer in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**80-0948413**

(I.R.S. Employer Identification No.)

360 Motor Parkway, Suite 100, Hauppauge, New York 11788  
(Address of Principal Executive Offices)

(631) 881-4920

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Exchange on which Registered</u>
Common Stock, par value \$0.001	NYSE MKT

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  
Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Non-Accelerated Filer  Accelerated Filer  Smaller Reporting Company

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of June 30, 2015, the aggregate market value of our common stock held by non-affiliates was \$68,233,558, based on 6,722,518 shares of outstanding common stock held by non-affiliates, and a price of \$10.15 per share, which was the last reported sale price of our common stock on the NYSE MKT on that date.

There were a total of 7,560,040 shares of the registrant's common stock outstanding as of March 31, 2016.

This amendment is being filed to provide the information required by Part III of Form 10-K previously omitted pursuant to General Instruction G(3) to Form 10-K.

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance.

Our directors and information concerning their business experience is set forth below:

<b>Name</b>	<b>Age</b>	<b>Director Since</b>
Mic Michael N. Taglich	50	2008
Pete Peter D. Rettaliata	65	2005
Sey Seymour G. Siegel	73	2005
Rob Robert F. Taglich	49	2008
Dav David J. Buonanno	60	2008
Rob Robert C. Schroeder	49	2008
Michael Brand	57	2012

*Michael N. Taglich* has been Chairman of our Board of Directors since September 22, 2008. He is Chairman and President of Taglich Brothers, Inc. ("Taglich Brothers"), a New York City based securities firm which he co-founded in 1992 and which is focused on public and private micro-cap companies. From 1987 to 1992, Mr. Taglich served as a Vice President at Weatherly Securities. He brings a broad depth and breadth of capital and business background to the Board, with extensive experience in exit strategies. Mr. Taglich is currently Chairman of the Board of SCOLR Pharma Inc, a publicly traded pharmaceutical company, and BioVentrix, Inc., a privately held medical device company whose products are directed at heart failure. He also serves as a Director of DecisionPoint Systems, Inc., a publicly traded company. Mr. Taglich holds a B.S. degree in General and International Business from New York University and holds Series 27 and Series 7 securities licenses. Mr. Taglich's extensive experience in the capital markets and his knowledge of the aerospace industry qualify him to serve as a Director.

*Peter D. Rettaliata* served as our President and Chief Executive Officer from November 30, 2005 to December 31, 2014. He also served as the President of our wholly-owned subsidiary, AIM, from 1994 to 2008. Prior to his involvement at AIM, Mr. Rettaliata was employed by Grumman Aerospace Corporation for twenty-two years. Professionally, Mr. Rettaliata has served as the Chairman of "ADDAPT", an organization of regional aerospace companies, as a member of the Board of Governors of the Aerospace Industries Association, and as a member of the Executive Committee of the AIA Supplier Council. He is a graduate of Niagara University where he received a B.A. in History and the Harvard Business School where he completed the PMD Program. Mr. Rettaliata's extensive experience in the aerospace industry and his knowledge of our operations qualify him to serve as a Director.

*Seymour G. Siegel*, a Certified Public Accountant no longer in practice, was a principal emeritus at Rothstein Kass (now KPMG), an international firm of accountants and consultants until July 2014. Mr. Siegel was a founder of Siegel Rich & Co., CPAs, which eventually merged with what is now known as WeiserMazars LLP, where he was a senior partner until January 1995, when he sold his interest in the firm and co-founded a business advisory firm which later became a part of Rothstein Kass. In addition to serving as a Director and Chairman of the Audit Committees of our Board, Mr. Siegel also serves as a Director and Chairman of the Audit Committee of Root 9B Technologies Inc. Mr. Siegel received his Bachelor of Business Administration from the Bernard M. Baruch School of the City College of New York. Mr. Siegel's extensive knowledge and experience in accounting matters and familiarity with the issues of manufacturing businesses qualify him to serve as a Director.

*Robert F. Taglich* is a Managing Director of Taglich Brothers, a New York City based securities firm which he co-founded in 1992. Prior to founding Taglich Brothers, Mr. Taglich was a Vice President at Weatherly Securities. Mr. Taglich has served in various positions in the brokerage securities industry for the past 25 years. He currently sits on the board of privately held BioVentrix, Inc., a medical device company whose products are directed at heart failure. Mr. Taglich holds a Bachelor's degree from New York University. Mr. Taglich's extensive experience in the capital markets and his knowledge of the aerospace industry qualify him to serve as a Director.

*David J. Buonanno* is the Founder and President of Buonanno Enterprises Consulting, providing strategic management, supply chain/operations and recruitment services to aerospace and defense industry clients. He is a member of the Executive Advisory Board of Bridgeways, Inc. and the Advisory Board of Alken Industries, Inc. Mr. Buonanno has extensive experience in manufacturing, supply management and operations. He was employed by Sikorsky Aircraft, Inc., a subsidiary of United Technologies Corporation, as Vice President, Supply Management and International Offset (from January 1997 to July 2006) and as Director, Systems Subcontracts (from November 1992 to January 1997). From May 1987 to November 1992, he was employed by General Electric Company serving as Operations Manager and Manager, Program Materials Management of GE's Astro-Space Division. From June 1977 to May 1987, he was employed by RCA and affiliated companies. Mr. Buonanno attended Lehigh University College of Electrical Engineering and holds a B.S. in Business Administration from Rutgers University. He completed the Program for Management Development at Harvard Business School in 1996. Mr. Buonanno's extensive experience in the aerospace and defense industries and familiarity with the operations of companies in the industry qualify him to serve as a Director.

*Robert C. Schroeder* is Vice President - Investment Banking of Taglich Brothers and specializes in advisory services and capital raising for small public and private companies. Prior to that, Mr. Schroeder served as Senior Equity Analyst publishing sell-side research. Prior to joining Taglich Brothers, he served in various positions in the brokerage and public accounting industry. Mr. Schroeder serves as a director of DecisionPoint Systems, Inc., a publicly-traded company. Mr. Schroeder received a B.S. degree in accounting and economics from New York University. He is a Chartered Financial Analyst and a member of the Association for Investment Management and Research and a member of the New York Society of Security Analysts. Mr. Schroeder's extensive experience in the capital markets qualify him to serve as a Director.

*Michael Brand* was the President of Goodrich Landing Gear, a unit of Goodrich Corporation, from July 2005 to June 2012. Prior to joining Goodrich for over 25 years he held senior management positions in the Aerospace industry. He began his career at General Electric Corporation and rose to senior management in its jet engine manufacturing operations. Mr. Brand is a graduate of Clarkson University, with advanced degrees and certificates from Xavier University and the Wharton School. Mr. Brand's extensive experience in the aerospace and defense industries and familiarity with the operations of companies in the industry qualify him to serve as a Director.

Michael N. Taglich and Robert F. Taglich are brothers.

## **Information Concerning the Board of Directors**

### ***Board Leadership Structure and Risk Oversight***

The Board does not have a policy requiring separation of the roles of Chief Executive Officer and Chairman of the Board. Nevertheless, Michael N. Taglich is Chairman of the Board and Daniel R. Godin is Chief Executive Officer of the Company.

The Board has determined that a non-employee director serving as Chairman is in the best interests of our stockholders at this time. This structure ensures a greater role of non-employee Directors in the active oversight of our business, including risk management oversight, and in setting agendas and establishing Board priorities and procedures. This structure also allows the Chief Executive Officer to focus to a greater extent on the management of our day-to-day operations.

The Board of Directors as a whole is responsible for consideration and oversight of risks facing the Company, and is responsible for ensuring that material risks are identified and managed appropriately. Certain risks are overseen by committees of the Board of Directors and these committees make reports to the full Board of Directors, including reports on noteworthy risk-management issues. Members of the Company's senior management team regularly report to the full Board about their areas of responsibility and a component of these reports is risk within the area of responsibility and the steps management has taken to monitor and control such exposures. Additional review or reporting on risks is conducted as needed or as requested by the Board or one of its committees.

### ***Board Independence***

Our Board of Directors has determined that Robert Schroeder, Seymour G. Siegel, David Buonanno and Michael Brand are "independent directors" within the meaning of NYSE MKT Rule 803A(2).

### ***Director Compensation***

Non-employee Directors are entitled to receive compensation for serving as directors and may receive option grants from our company. Each Director also is entitled to be repaid or prepaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred in attending meetings of our Board of Directors or committees of our Board of Directors or shareholder meetings or otherwise in connection with the discharge of his duties as a Director. The compensation committee will assist the directors in reviewing and approving the compensation structure for our directors.

The following table sets forth certain information regarding the compensation paid to our directors during the fiscal year ended December 31, 2015.

DIRECTOR COMPENSATION							
Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Michael N. Taglich	\$ 57,500	-	\$ 3,215	-	-	-	\$ 60,715
Robert F. Taglich	\$ 57,500	-	\$ 3,215	-	-	-	\$ 60,715
Robert Schroeder	\$ 30,417	-	\$ 3,215	-	-	-	\$ 33,632
David Buonanno	\$ 30,417	-	\$ 3,215	-	-	-	\$ 33,632
Seymour G. Siegel	\$ 42,417	-	\$ 3,215	-	-	-	\$ 45,632
Michael Brand	\$ 30,417	-	\$ 3,215	-	-	-	\$ 33,632
Peter D. Rettaliata	\$ 50,000	-	\$ -	-	-	-	\$ 50,000

#### ***Board Meetings; Committees and Membership***

The Board of Directors held three meetings during the fiscal year ended December 31, 2015 (“fiscal 2015”). During fiscal 2015, each of the directors then in office attended more than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings of all committees of the Board on which such director served.

We maintain the following committees of the Board of Directors: the Audit Committee, the Compensation Committee and the Nominating Committee. Each committee is comprised entirely of directors who are “independent” within the meaning of NYSE MKT Rule 803A(2). Each committee acts pursuant to a separate written charter, and each such charter has been adopted and approved by the Board of Directors. Copies of the committee charters are available on our website at [airindustriesgroup.com](http://airindustriesgroup.com) under the heading “Investor Relations.”

**Audit Committee.** Messrs. Siegel, Schroeder and Buonanno are members of the Audit Committee. Mr. Siegel serves as Chairman of the Audit Committee and also qualifies as an "audit committee financial expert," as that term is defined in Item 407(d)(5)(ii) of Regulation S-K. The Board has determined that each member of our Audit Committee meets the financial literacy requirements under the Sarbanes-Oxley Act and SEC rules and the independence requirements under NYSE MKT Rule 803A(2). The Audit Committee held four meetings during fiscal 2015.

Our Audit Committee is responsible for preparing reports, statements and charters required by the federal securities laws, as well as:

- overseeing and monitoring the integrity of our consolidated financial statements, our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters, and our internal accounting and financial controls;
- preparing the report that SEC rules require be included in our annual proxy statement;
- overseeing and monitoring our independent registered public accounting firm's qualifications, independence and performance;
- providing the Board with the results of its monitoring and its recommendations; and
- providing to the Board additional information and materials as it deems necessary to make the Board aware of significant financial matters that require the attention of the Board.

**Compensation Committee.** Our Compensation Committee is composed of Messrs. Siegel, Buonanno and Brand. The Compensation Committee is responsible for:

- establishing the Company's general compensation policy, in consultation with the Company's senior management, and overseeing the development and implementation of compensation programs.
- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, and evaluating the performance of the CEO at least annually in light of those goals and objectives and communicating the results of such evaluation to the CEO and the Board, and determining the CEO's compensation level based on this evaluation, subject to ratification by the independent directors on the Board. In determining the incentive component of CEO compensation, the Committee will consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the CEO in past years, and such other factors as the Committee may determine to be appropriate.
- reviewing and approving the compensation of all other executive officers of the Company, such other managers as may be directed by the Board, and the directors of the Company.
- overseeing the Board's benefit and equity compensation plans, overseeing the activities of the individuals and committees responsible for administering these plans, and discharging any responsibilities imposed on the Committee by any of these plans.
- approving issuances under, or any material amendments to, any stock option or other similar plan pursuant to which a person not previously an employee or director of the Company, as an inducement material to the individual's entering into employment with the Company, will acquire stock or options.
- in consultation with management, overseeing regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve related tax objectives.
- reviewing and approving any severance or similar termination payments proposed to be made to any current or former officer of the Company.
- preparing an annual report on executive compensation for inclusion in our proxy statement for the election of directors, if required under the applicable SEC rules.

The Compensation Committee held two meetings during fiscal 2015.

**Nominating Committee.** Our Nominating Committee is composed of Messrs. Schroeder, Siegel and Brand. The purpose of the Nominating Committee is to seek and nominate qualified candidates for election or appointment to our Board of Directors. The Nominating Committee will seek candidates for election and appointment that possess the integrity, leadership skills and competency required to direct and oversee the Company's management in the best interests of its stockholders, customers, employees, communities it serves and other affected parties. The Nominating Committee held one meeting during fiscal 2015.

A candidate must be willing to regularly attend Committee and Board of Directors meetings, to develop a strong understanding of the Company, its businesses and its requirements, to contribute his or her time and knowledge to the Company and to be prepared to exercise his or her duties with skill and care. In addition, each candidate should have an understanding of all corporate governance concepts and the legal duties of a director of a public company.

Stockholders may contact the Nominating Committee Chairman, the Chairman of the Board or the Corporate Secretary in writing when proposing a nominee. This correspondence should include a detailed description of the proposed nominee's qualifications and a method to contact that nominee if the Nominating Committee so chooses.

#### ***Stockholder Communications***

Any stockholder who desires to contact any of our Directors can write to Air Industries Group, 360 Motor Parkway, Suite 100, Hauppauge, NY 11788 Attention: Stockholder Relations. Your letter should indicate that you are an Air Industries Group stockholder. Depending on the subject matter, our stockholder relations personnel will:

- forward the communication to the Director(s) to whom it is addressed;
- forward the communication to the appropriate management personnel;
- attempt to handle the inquiry directly, for example where it is a request for information about the Company, or it is a stock-related matter; or
- not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors, Executive Officers and beneficial owners of more than 10% of our common stock to file with the SEC reports of their holdings of, and transactions in, our common stock. Based solely upon our review of copies of such reports and written representations from reporting persons that were provided to us, we believe that our officers, directors and 10% stockholders complied with these reporting requirements with respect to 2015.

#### ***Policy Regarding Attendance of Directors at Annual Meetings of Stockholders***

We have not established a formal policy regarding director attendance at our annual meetings of stockholders, although we encourage our directors to attend the annual meeting.

#### ***Code of Ethics***

We have adopted a written code of ethics that applies to our principal executive officers, senior financial officers and persons performing similar functions. Upon written request to our corporate secretary, we will provide you with a copy of our code of ethics, without cost.

#### **Information Concerning Executive Officers**

Our Executive Officers are set forth in the table below along with their ages and positions. Each Executive Officer holds the offices set forth opposite his or her name until his successor is chosen and qualified.

Name	Age	Position
Pete Daniel R. Godin	54	Chief Executive Officer and President
Dari Marianne Giglio	52	Chief Accounting Officer

Daniel R. Godin has been our President and Chief Executive Officer since January 1, 2015. Prior to joining the Company on December 1, 2014, Mr. Godin was employed by the Merex Group since May 5, 2014 as President of Maintenance, Repair and Overhaul units of MRO Solutions, where he had P&L responsibility and provided strategy and leadership to all MRO business units within the Merex Group. From November 2008 to May 2, 2014, he was employed at Circor Aerospace, Inc. as North America Vice President and General Manager of Circor Aerospace & Defense, providing P&L and business leadership for a group of businesses focused on OEM and aftermarket design, manufacturing and MRO of proprietary fluid controls and landing gear technology. Prior to working at Circor Aerospace & Defense, Mr. Godin was employed as a Vice President at Sermatech International, Inc. where was responsible for operations and improving overall profitability. Prior to working at Sermatech International, Inc., Mr. Godin was employed at United Technologies' Pratt & Whitney aircraft engines division and had roles in Process Engineering, Operations Management, Supply Chain and Business Center Leadership for complex aircraft turbine engine equipment development and manufacturing. Mr. Godin holds a Bachelor of Science in Manufacturing Engineering from the University of Southern Maine and completed the Executive Business Program at the Darden School at the University of Virginia. He served with the United States Air Force and holds five US Patents for specialized aircraft and industrial engine coatings and engineered components.

Marianne Giglio has been our Chief Accounting Officer since April 26, 2016. Ms. Giglio joined our Company March 7, 2016. From 2007 until when she joined our Company, Ms. Giglio was employed by Circor Aerospace & Defense which she last served as Director of Finance/Group Director of Pricing. Ms. Giglio received a Bachelor of Science, Accounting in 1989 and is a Member of the American Institute of Certified Public Accountants and a Member of the New York State Society of Independent Public Accountants.

### Item 11. Executive Compensation.

The following summary compensation table shows, for the periods indicated, information regarding the compensation awarded to, earned by or paid to our principal executive officer and our chief accounting officer (our only other executive officer whose compensation exceeded \$100,000), for all services rendered in all capacities to our company and its subsidiaries. The individuals listed in the following table are referred to herein collectively as our "named executive officers."

Executive Compensation Table

Name and principal Position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity Incentive Plan Information (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)		Total (\$)
Daniel R. Godin (1) President and CEO	2015	\$ 254,807	-	-	-	-	-	\$ 9,600	(3)	\$ 264,407
James Sartori (2) Chief Accounting Officer	2015	\$ 186,609	-	-	\$ 12,353	-	-	\$ 9,000	(3)	\$ 207,962

(1) Mr. Godin became our President and CEO effective as of January 1, 2015.

(2) Mr. Sartori became our Chief Accounting Officer on January 15, 2015 and resigned effective April 22, 2016.

(3) Represents car allowance.

None of our executive officers or key employees named in the above table has an employment agreement providing for a fixed term of employment. All are employees at will terminable at any time without any severance, other than that payable to employees generally.

#### **Terms of Daniel R. Godin's Employment**

Daniel R. Godin, our President and Chief Executive Officer, is entitled to a base salary of \$250,000 per annum, plus a bonus for 2015 based upon performance criteria to be determined. We also paid Mr. Godin a signing bonus of \$50,000. In addition, Mr. Godin receives a car allowance of \$800 per month and is eligible to participate in such health and welfare plans as are made available to our executives generally. On December 1, 2014, we granted Mr. Godin options to purchase 120,000 shares at an exercise price of \$10.12 per share. The options vest in quarterly installments of 10,000 shares on the first day of March, June, September and December of each year commencing March 1, 2015 until fully vested as to 120,000 shares on December 1, 2017. The options expire on November 30, 2021.

#### **Terms of James Sartori's Employment**

James Sartori, was appointed Vice President, Chief Accounting Officer January 15, 2015, and resigned in April 2016. Pursuant to his employment agreement he was entitled to a base salary of \$175,000 and eligible for such cash bonuses and equity incentive awards as the Board from time to time determined to be appropriate. In addition, Mr. Sartori received a car allowance of \$750 per month and was eligible to participate in such health and welfare plans as are made available to our executives generally. On March 19, 2015, we granted Mr. Sartori an option to purchase 11,000 shares of common stock at an exercise price of \$10.34 per share. The options were to vest in annual installments of 3,666 shares on the first two anniversaries of the date of grant, and as to 3,668 shares on the third anniversary of the date of grant. Because of Mr. Sartori's departure, the 3,666 shares which vested on March 19, 2016, will expire on July 21, 2016.

#### **Executive Compensation Policies as They Relate to Risk Management**

The Compensation Committee and management have considered whether our compensation policies might encourage inappropriate risk taking by the Company's executive officers and other employees. The Compensation Committee has determined that the current compensation structure aligns the interests of the executive officers with those of the Company without providing rewards for excessive risk taking by awarding a mix of fixed and performance based or discretionary bonuses with the performance based compensation focused on profits as opposed to revenue growth.

During the years ended December 31, 2015 and 2014, less than 1% of the total compensation paid to employees was paid in performance-based compensation, including commissions and bonuses.

#### **Equity Awards – 2015**

The following table shows the grant of equity awards in the form of options to James Sartori who was our only named Executive Officer to receive an equity award during 2015. We did not grant any equity awards in the form of shares to any of the named Executive Officers during 2015 and consequently have omitted those columns from the table which would have described such awards.

## GRANT OF PLAN-BASED AWARDS

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Grant Date Fair Value of Stock and Option Awards (\$)
James Sartori	3/19/2015	11,000	\$12,353

## Outstanding Equity Awards at 2015 Year-End

The following table shows certain information regarding outstanding equity awards held by our named Executive Officers as of December 31, 2015.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Daniel R. Godin	39,600	80,400	\$10.12	11/30/2021	-	-
James Sartori	-	11,000	\$10.34	3/19/2020	-	-

## Equity Incentive Plans

We have two equity incentive plans, the 2015 Equity Incentive Plan (the "2015 Plan"), which our Board of Directors adopted in March 2015 and our stockholders approved in June 2015, and the 2013 Equity Incentive Plan (the "2013 Plan"), which our Board of Directors adopted in May 2013 and our stockholders approved in July 2013. The 2015 Plan is virtually identical to the 2013 Plan, except that the 2015 Plan authorized the issuance of 350,000 shares of Common Stock and the 2013 Plan authorized the issuance of 600,000 shares. As of March 31, 2016, options to purchase 564,342 shares remain outstanding and no shares remained available for issuance under the 2013 Plan. All of the 350,000 shares authorized under the 2015 Plan were available for issuance on March 31, 2016. On April 14, 2016, 120,000 shares were issued to employees under the 2015 Plan. The Plans permit the Company to grant stock awards and non-qualified and incentive stock options to employees, directors and consultants. The Plan is administered by the Compensation Committee of the Board and has a term of ten years from the date it was adopted by the Board.

We adopted the Plans to provide a means by which employees, directors, and consultants of our Company and those of our subsidiaries and other designated affiliates, which we refer to together as our affiliates, may be given an opportunity to purchase our Common Stock, to assist in retaining the services of such persons, to secure and retain the services of persons capable of filling such positions, and to provide incentives for such persons to exert maximum efforts for our success and the success of our affiliates.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table sets forth information known to us regarding beneficial ownership of our common stock as of March 31, 2016 by (i) each person known by us to own beneficially more than 5% of our outstanding common stock, (ii) each of our directors, (iii) our chief executive officer, and (iii) all of our directors and executive officers as a group. Except as otherwise indicated, we believe, based on information provided by each of the individuals named in the table below, that such individuals have sole investment and voting power with respect to such shares, subject to community property laws, where applicable. As of March 31, 2016 we had outstanding 7,560,040 shares of our common stock. Except as stated in the table, the address of the holder is c/o our company, 360 Motor Parkway, Suite 100, Hauppauge, New York 11788.

<u>Name</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
<b>Directors and Executive Officers:</b>		
Michael N. Taglich	467,663(1)	6.14%
Peter D. Rettaliata	66,761(2)	*
Robert F. Taglich	485,164(1)	6.37%
Seymour G. Siegel	16,039(3)	*
David Buonanno	16,850(3)	*
Robert Schroeder	93,389(4)	1.23%
Michael Brand	15,250(3)	*
Daniel Godin, President and CEO	60,000(5)	*
James Sartori, Chief Accounting Officer (7)	3,666 (5)	*
All Directors and Executive Officers as a group (9 persons)	1,156,007 (6)	14.73%

\* Less than 1%

(1) Includes 58,726 shares owned by Taglich Brothers, Inc. and other entities controlled by Mr. Taglich, 41,190 shares he may acquire upon exercise of warrants and 15,250 shares he may acquire upon exercise of options, in each case exercisable within 60 days.

(2) Includes 64,216 shares he may acquire upon exercise of options exercisable within 60 days.

(3) Includes 15,250 shares he may acquire upon exercise of options exercisable within 60 days.

(4) Includes 27,585 shares he may acquire upon exercise of warrants and 15,250 shares he may acquire upon exercise of options, in each case exercisable within 60 days.

(5) Represents shares he may acquire upon exercise of options exercisable within 60 days,

(6) Includes 68,775 shares that may be acquired upon exercise of warrants and 219,382 shares that may be acquired upon exercise of options, in each case exercisable within 60 days.

(7) Mr. Sartori resigned effective March 22, 2016.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

#### ***Our Policy Concerning Transactions with Related Persons***

Under Item 404 of SEC Regulation S-K, a related person transaction is any actual or proposed transaction, arrangement or relationship or series of similar transactions, arrangements or relationships, including those involving indebtedness not in the ordinary course of business, to which we or our subsidiaries were or are a party, or in which we or our subsidiaries were or are a participant, in which the amount involved exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years and in which any of our directors, nominees for director, executive officers, beneficial owners of more than 5% of any class of our voting securities (a “significant shareholder”), or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest.

We recognize that transactions between us and any of our Directors or Executives or with a third party in which one of our officers, directors or significant shareholders has an interest can present potential or actual conflicts of interest and create the appearance that our decisions are based on considerations other than the best interests of our Company and stockholders.

The Audit Committee of the Board of Directors is charged with responsibility for reviewing, approving and overseeing any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K), including the propriety and ethical implications of any such transactions, as reported or disclosed to the Committee by the independent auditors, employees, officers, members of the Board of Directors or otherwise, and to determine whether the terms of the transaction are not less favorable to us than could be obtained from an unaffiliated party.

#### ***Transactions with Related Persons***

The following includes a summary of transactions since January 1, 2014, or any currently proposed transaction, in which we were or are to be a participant and the amount involved exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which any related person had or will have a direct or indirect material interest.

On January 1, 2014, we entered into a Capital Market Advisory Agreement with Taglich Brothers pursuant to which Taglich Brothers provides us, on a non-exclusive basis, business advisory services for a monthly fee of \$7,000 and a warrant to purchase 10,000 shares of our common stock at an exercise price of \$8.72 per share. This agreement renews annually.

In connection with our public offering of 1,170,000 shares of common stock completed on June 3, 2014, we paid Taglich Brothers, which acted as placement agent for the offering, \$842,400, representing 8% of the gross proceeds of the offering as a sales commission, plus an additional \$75,000 in reimbursement of counsel fees. In addition, we granted Taglich Brothers placement agent warrants to purchase 46,800 shares of common stock, representing 4% of the shares sold in the offering as additional compensation. The warrants are exercisable for cash or on a cashless basis at a per share exercise price equal to \$11.25, commencing May 29, 2015 and expiring May 28, 2019.

We paid Taglich Brothers a total of \$18,000 (\$1,500 per month) during 2014 for posting its research reports on our company on its website pursuant to a research distribution agreement and \$6,000 to date during 2015.

On September 8, 2015, the Company borrowed \$350,000 from Michael Taglich, a director of the Company, and issued its promissory notes in the principal amount of \$350,000 to evidence its obligation to repay that indebtedness. The notes bear interest at the rate of 4% per annum and is payable on September 7, 2016.

On April 8, 2016, the Company borrowed \$350,000 from each of Michael N. Taglich and Robert F. Taglich, directors of the Company, and issued its promissory notes in the principal amount of \$350,000 to evidence its obligation to repay that indebtedness. The notes bear interest at the rate of 7% per annum and are payable on June 30, 2016, or earlier upon the Company’s receipt of proceeds from the sale of its equity securities in the aggregate amount of \$1,000,000.

The foregoing transactions were reviewed and approved by the Audit Committee or our Board of Directors. We believe that the terms of each transaction were not less favorable to us than those terms that could be obtained from an unaffiliated third party.

**Item 14. Principal Accounting Fees and Services.**

As required by our Audit Committee charter, our Audit Committee pre-approved the engagement of Rotenberg Meril Solomon Bertiger & Guttilla, P.C. for all audit and permissible non-audit services. The Audit Committee annually reviews the audit and permissible non-audit services performed by our principal accounting firm and reviews and approves the fees charged by our principal accounting firm. The Audit Committee has considered the role of Rotenberg Meril Solomon Bertiger & Guttilla, P.C. in providing tax and audit services and other permissible non-audit services to us and has concluded that the provision of such services, if any, was compatible with the maintenance of such firm's independence in the conduct of its auditing functions.

During fiscal year 2015 and fiscal year 2014, the aggregate fees which we paid to or were billed by Rotenberg Meril Solomon Bertiger & Guttilla, P.C. for professional services were as follows:

	Year Ended December 31,	
	<u>2015</u>	<u>2014</u>
Audit Fees (1)	\$ 405,000	\$ 280,000
Audit Related Fees (2)	33,370	33,671
Tax Fees (3)	<u>97,670</u>	<u>89,288</u>
	<u>\$ 536,040</u>	<u>\$ 402,959</u>

(1) Fees for services to perform an audit or review in accordance with generally accepted auditing standards and services that generally only our independent registered public accounting firm can reasonably provide, such as the audit of our consolidated financial statements, the review of the financial statements included in our quarterly reports and for services that are normally provided by independent registered public accounting firms in connection with statutory and regulatory engagements.

(2) Fees for assurance and related services that are traditionally performed by our independent registered public accounting firm, such as audit attest services not required by statute or regulation, and consultation concerning financial accounting and reporting standards.

(3) Fees for tax compliance. Tax compliance generally involves preparation of original and amended tax returns, claims for refunds and tax payment planning services.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### Exhibit No. Description

- 2.1 Agreement and Plan of Merger dated July 29, 2013 between Air Industries Group, Inc. and Air Industries Group (incorporated herein by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed August 30, 2013).
- 2.2 Articles of Merger between Air Industries Group and Air Industries Group, Inc. filed with the Secretary of State of Nevada on August 28, 2013 (incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed August 30, 2013).
- 2.3 Certificate of Merger between Air Industries Group and Air Industries Group, Inc. filed with the Secretary of State of Nevada on August 29, 2013 (incorporated herein by reference to Exhibit 3.3 to the Registrant's Current Report on Form 8-K filed August 30, 2013).
- 3.1 Articles of Incorporation of Air Industries Group (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed August 30, 2013).
- 3.2 Amended and Restated By-Laws of the Registrant (incorporated herein by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 31, 2015).
- 4.1 Form of Warrant Agreement dated as of December 31, 2008 between the Registrant and Taglich Brothers, Inc. (incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed January 7, 2009).
- 4.2 Form of Placement Agent's Warrant Agreement (incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 29, 2014).
- 4.3 Form of Warrant Agreement dated as of January 1, 2014 between the Registrant and Taglich Brothers, Inc.
- 10.1 Contract of Sale, dated as of November 7, 2005, by and between KPK Realty Corp. and Gales Industries Incorporated for the purchase of the property known as 1460 North Fifth Avenue and 1479 North Clinton Avenue, Bay Shore, NY (incorporated herein by reference to Exhibit 10.6 of the Registrant's Current Report on Form 8-K filed December 6, 2005).
- 10.2 Mortgage and Security Agreement, dated as of November 30, 2005, by and between Air Industries Machining, Corp. and PNC Bank (incorporated herein by reference to Exhibit 10.20 of the Registrant's Current Report on Form 8-K filed December 6, 2005).
- 10.3 Long Term Agreement, dated as of August 18, 2000, between Air Industries Machining, Corp. and Sikorsky Aircraft Corporation (incorporated herein by reference to Exhibit 10.21 of the Registrant's Current Report on Form 8-K filed December 6, 2005).
- 10.4 Long Term Agreement, dated as of September 7, 2000, between Air Industries Machining, Corp. and Sikorsky Aircraft Corporation (incorporated herein by reference to Exhibit 10.22 of the Registrant's Current Report on Form 8-K filed December 6, 2005).
- 10.5 Stock Purchase Agreement, dated March 9, 2009, between Gales Industries Incorporated and John Gantt and Lugenia Gantt, the shareholders of Welding Metallurgy, Inc. (incorporated herein by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed March 14, 2009).
- 10.6 Amendment No. 1 dated August 2, 2009 to the Stock Purchase Agreement, dated March 9, 2009, between Gales Industries Incorporated and John Gantt and Lugenia Gantt, the shareholders of Welding Metallurgy, Inc. (incorporated herein by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K/A filed August 3, 2009).

- 10.7 7% Promissory Note of Registrant in the principal amount of \$2,000,000 in favor of John and Lugenia Gantt (incorporated herein by reference from the Registrant's Current Report on Form 8-K filed August 26, 2009).
- 10.8 Registration Rights Agreement dated as of August 24, 2009 by and among the Registrant and John and Lugenia Gantt (incorporated herein by reference from the Registrant's Current Report on Form 8-K filed August 26, 2009).
- 10.9 Amended and Restated Promissory Note dated as of August 26, 2009 payable to John and Lugenia Gantt (the "Amended and Restated Gantt Note") (incorporated herein by reference from Exhibit 10.46 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 (the "2007 Form 10-K").
- 10.10 Amendment dated as of October 9, 2009 to Amended and Restated Gantt Note (incorporated herein by reference from Exhibit 10.47 to the Registrant's 2007 Form 10-K).
- 10.11 Amended and Restated Revolving Credit, Term Loan and Security Agreement (the "PNC Loan Agreement") dated June 27, 2013 by and among PNC Bank, National Association, as Lender and Agent, and Air Industries Machining, Corp., Welding Metallurgy, Inc., Nassau Tool Works, Inc. and Air Industries Group, Inc. (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed June 27, 2013).
- 10.12 Guarantor's Ratification by Air Industries Group, Inc. under PNC Agreement (incorporated herein by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed June 27, 2013).
- 10.13 2010 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.24 to the Registrant's Form 10).
- 10.14 2013 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-8 (Registration No. 333-191560) filed on October 4, 2013).
- 10.15 2015 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-8 (Registration No. 333-206341) filed on August 13, 2015).
- 10.16 Subscription documents for purchase of common stock and conversion of junior subordinated notes into common stock. (incorporated herein by reference to Exhibit 10.25 to the Registrant's Form 10).
- 10.17 Placement Agent Agreement dated as of May 21, 2012 between the Registrant and Taglich Brothers Inc. (incorporated herein by reference to Exhibit 10.26 to the Registrant's Form 10).
- 10.18 Common Stock Purchase Agreement dated October 25, 2013 with Kimura Corporation (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed October 29, 2013).
- 10.19 First Amendment to PNC Loan Agreement (incorporated herein by reference from Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013 (the "2013 Form 10-K").
- 10.20 Amended and Restated PNC Loan Agreement (incorporated herein by reference from Exhibit 10.23 to the Registrant's 2013 Form 10-K.)
- 10.21 Amended and Restated Revolving Credit Note issued under the PNC Loan Agreement (incorporated herein by reference from Exhibit 10.24 to the Registrant's 2013 Form 10-K).
- 10.22 Second Amendment to Term Note issued under the PNC Loan Agreement (incorporated herein by reference from Exhibit 10.25 to the Registrant's 2013 Form 10-K).
- 10.23 Stock Purchase Agreement dated as of April 1, 2014 by and among WMI and the shareholders of Woodbine Products, Inc. (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed April 2, 2014).
- 10.24 Third Amendment to Amended and Restated Loan and Security Agreement with PNC Bank, N.A (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed April 2, 2014).

- 10.25 Form of Subscription Agreement, dated as of May 28, 2014 (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed May 29, 2014).
- 10.26 Placement Agent Agreement, dated as of May 28, 2014, between the Registrant and Taglich Brothers, Inc. (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed May 29, 2014).
- 10.27 Stock Purchase Agreement dated as of June 4, 2014, by and among the Registrant and the shareholders of Eur-Pac Corporation (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed June 4, 2014).
- 10.28 Stock Purchase Agreement dated as of October 1, 2014, between the Registrant and Dynamic Materials Corporation (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed (October 2, 2014).
- 10.29 Promissory Note of Registrant payable to AMK Welding, Inc. (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed October 2, 2014).
- 10.30 Mortgage and Security Agreement in favor of Dynamic Materials Corporation (incorporated herein by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed October 2, 2014).
- 10.31 Term Note (incorporated herein by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed October 2, 2014).
- 10.32 Capital Market Advisory Agreement dated as of January 1, 2014 between the Registrant and Taglich Brothers, Inc. (incorporated herein by reference to Exhibit 10.35 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 31, 2015).
- 10.33 Agreement and Plan of Merger dated as of February 27, 2015, by and among the Registrant, SEC Acquisition Corp., The Sterling Engineering Corporation ("Old Sterling") and the shareholders of Old Sterling (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed March 5, 2015).
- 10.34 Term Note in the principal amount of \$3,500,000 (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed March 10, 2015).
- 10.35 Open End Mortgage Deed and Security Agreement with respect to South Windsor, Connecticut premises (incorporated herein by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed March 10, 2015).
- 10.36 Collateral Assignment of Rents, Leases and Profits with respect to South Windsor, Connecticut premises (incorporated herein by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed March 10, 2015).
- 10.37 Open End Mortgage Deed and Security Agreement with respect to Barkhamsted, Connecticut premises (incorporated herein by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed March 10, 2015).
- 10.38 Collateral Assignment of Rents, Leases and Profits with respect to Barkhamsted, Connecticut premises (incorporated herein by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed March 10, 2015).
- 10.39 Offer Letter to Daniel R. Godin (incorporated herein by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 31, 2015).
- 10.40 Asset Purchase Agreement dated as of August 31, 2013 between the Registrant, on the one hand, and Compaq Development Corporation, Peter C. Rao and Vito Valenti, the shareholders of Compaq Development Corporation, on the other hand (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed September 1, 2015).

- 10.41 Fifth Amended and Restated Revolving Credit Note (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed November 23, 2015).
- 10.42 Tenth Amendment to Amended and Restated Loan and Security Agreement with PNC Bank, N.A (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed November 23, 2015).
- 10.43 Eleventh Amendments to Amended and Restated Loan and Security Agreement with PNC Bank, N.A (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed February 12, 2016).
- 10.44 Sixth Amended and Restated Revolving Credit Note (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed February 12, 2016).
- 10.45 Promissory Note dated as of September 8, 2015 payable to Michael N. Taglich in the principal amount of \$350,000 (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 10.46 Real Estate Purchase and Sale Contract dated as of December 7, 2015 for the sale of 283 Sullivan Avenue, South Windsor, CT ("South Windsor Contract") (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 10.47 First Amendment to South Windsor Contract dated as of January 26, 2016 (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 10.48 Second Amendment to South Windsor Contract dated as of February 24, 2016 (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 10.49 Third Amendment to South Windsor Contract dated as of April 7, 2016 (incorporated herein by reference to Exhibit 10.50 to the Registrant's Current Report on Form 8-K filed on April 13, 2016).
- 10.50 Lease dated April 11, 2016 for the premises located at 283 Sullivan Avenue, South Windsor, CT (incorporated herein by reference to Exhibit 10.50 to the Registrant's Current Report on Form 8-K filed on April 13, 2016).
- 10.51 Promissory note dated April 8, 2016 in the principal amount of \$350,000 payable to Michael N. Taglich. (incorporated herein by reference to Exhibit 10.51 to the Registrant's Current Report on Form 8-K filed on April 13, 2016).
- 10.52 Promissory note dated April 8, 2016 in the principal amount of \$350,000 payable to Robert F. Taglich (incorporated herein by reference to Exhibit 10.52 to the Registrant's Current Report on Form 8-K filed on April 13, 2016).
- 21.1 Subsidiaries (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 23.1 Consent of Rotenberg Meril Solomon Bertiger & Guttilla, P.C. (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 31.1 Certification of principal executive officer pursuant to Rule 13a-14 or Rule 15d-14 of Securities Exchange Act of 1934.

- 31.2 Certification of principal financial officer pursuant to Rule 13a-14 or Rule 15d-14 of the Exchange Act of 1934.
- 32.1 Certification of principal executive officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
- 32.2 Certification of principal financial officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
  
- 101.SCH XBRL Taxonomy Extension Schema Document (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document (filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on April 4, 2016).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 28, 2016

AIR INDUSTRIES GROUP

By: /s/ Daniel R. Godin

Daniel R. Godin  
President and CEO  
(principal executive officer)

By: /s/ Marianne Giglio

Marianne Giglio  
Chief Accounting Officer  
(principal financial and accounting officer)

WARRANT AGREEMENT ("Agreement"), dated as of January 1, 2014 by and between AIR INDUSTRIES GROUP, a Nevada corporation (the "Company"), and TAGLICH BROTHERS, INC. ("Warrantholder").

In consideration of the mutual terms, conditions, representations, warranties and agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Issuance of Warrants.

The Company hereby issues and grants to the Warrantholder 10,000 warrants ("Warrants") to purchase shares of the Company's common stock, par value \$0.001("Common Stock"), subject to the vesting requirements set forth below and the satisfaction of the conditions to exercise set forth in Section 7 of this Agreement, to purchase the number of shares of Common Stock issuable upon exercise of the Warrants ("Warrant Shares") set forth in the following sentence commencing April 1, 2014 until December 31, 2019 (the "Warrant Expiration Date") at an exercise price of \$8.72 per Warrant Share (the "Exercise Price"). The number of Warrant Shares issuable on exercise of each Warrant and the Exercise Price are all subject to adjustment pursuant to Section 8 of this Agreement. The Warrants may be exercised as to 2,500 Warrant Shares commencing April 1, 2014, a total of 5,000 Warrant Shares commencing on July 1, 2014, a total of 7,500 Warrant Shares commencing on October 1, 2014 and as to all 10,000 Warrant Shares commencing on January 1, 2015.

Section 2. Form of Warrant Certificates.

Promptly after the execution and delivery of this Agreement by the parties hereto, the Company shall cause to be executed and delivered to Warrantholder one or more certificates evidencing the Warrants (the "Warrant Certificates"). Each Warrant Certificate delivered hereunder shall be substantially in the form set forth in Exhibit A attached hereto and may have such letters, numbers or other identification marks and legends, summaries or endorsements printed thereon as the Company may deem appropriate and that are not inconsistent with the terms of this Agreement or as may be required by applicable law, rule or regulation. Each Warrant Certificate shall be dated the date of execution by the Company.

Section 3. Execution of Warrant Certificates.

Each Warrant Certificate delivered hereunder shall be signed on behalf of the Company by its President or Chief Executive Officer and by its Secretary or an Assistant Secretary. Each such signature may be in the form of a facsimile thereof and may be imprinted or otherwise reproduced on the Warrant Certificates.

If any officer of the Company who signed any Warrant Certificate ceases to be an officer of the Company before the Warrant Certificate so signed shall have been delivered by the Company, such Warrant Certificate nevertheless may be delivered as though such person had not ceased to be such officer of the Company.

#### Section 4. Registration.

Warrant Certificates shall be issued in registered form only. The Company will keep or cause to be kept books for registration of ownership and transfer of each Warrant Certificate issued pursuant to this Agreement. Each Warrant Certificate issued pursuant to this Agreement shall be numbered by the Company and shall be registered by the Company in the name of the holder thereof (initially the Warrantholder). The Company may deem and treat the registered holder of any Warrant Certificate as the absolute owner thereof (notwithstanding any notation of ownership or other writing thereon made by anyone) for the purpose of any exercise thereof and for all other purposes, and the Company shall not be affected by any notice to the contrary.

#### Section 5. Restrictions on Transfer.

No Warrant may be sold, pledged, hypothecated, assigned, conveyed, transferred or otherwise disposed of (each a "transfer") unless (i) the transfer complies with all applicable securities laws and (ii) the transferee agrees in writing to be bound by the terms of this Agreement and executes and delivers to the Company any documents and instruments requested by the Company, including without limitation, an opinion of counsel satisfactory to the Company, that such transfer does not violate any applicable federal or state securities laws.

#### Section 6. Mutilated or Missing Warrant Certificates.

If any Warrant Certificate is mutilated, lost, stolen or destroyed, the Company shall issue, upon surrender and cancellation of any mutilated Warrant Certificate, or in lieu of and substitution for any lost, stolen or destroyed Warrant Certificate, a new Warrant Certificate of like tenor and representing an equal number of Warrants. In the case of a lost, stolen or destroyed Warrant Certificate, a new Warrant Certificate shall be issued by the Company only upon the Company's receipt of reasonably satisfactory evidence of such loss, theft or destruction and, if requested, an indemnity or bond reasonably satisfactory to the Company.

#### Section 7. Exercise of Warrants.

A. Exercise. Subject to the terms and conditions set forth in this Section 7, Warrants may be exercised, in whole or in part (but not as to any fractional part of a Warrant), at any time or from time to time after the date hereof until on or prior to the Warrant Expiration Date.

In order to exercise any Warrant, Warrantholder shall deliver to the Company at its office referred to in Section 16 the following: (i) a written notice in the form of the Election to Purchase appearing at the end of the form of Warrant Certificate attached as Exhibit A hereto of such Warrantholder's election to exercise the Warrants, which notice shall specify the number of such Warrantholder's Warrants being exercised; (ii) the Warrant Certificate or Warrant Certificates evidencing the Warrants being exercised; and (iii) payment of the aggregate Exercise Price.

All rights of Warrantholder with respect to any Warrant that has not been exercised on or prior to the Warrant Expiration Date shall immediately cease and such Warrants shall be automatically cancelled and void.

B. Payment of Exercise Price. Payment of the Exercise Price with respect to Warrants being exercised hereunder shall be by the payment to the Company, in cash, by check or wire transfer, of an amount equal to the Exercise Price multiplied by the number of Warrants then being exercised. The Warrants also may be exercised at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a certificate for the number of Warrant

Shares equal to the quotient obtained by dividing  $[(A-B) (X)]$  by (A), where:

(A) = the Fair Market Value of a Warrant Share as of the date of exercise of the Warrants then being exercised;

(B) = the Exercise Price of this Warrant, as adjusted; and

(X) = the number of Warrant Shares issuable upon exercise of the Warrant Certificates surrendered for exercise in accordance with the terms of this Warrant Agreement by means of a cash exercise rather than a cashless exercise.

C. Delivery of Warrant Shares. Upon receipt of the items referred to in Section 7A, subject to any withholding that may be required by law and the payment by the Warrantholder of any transfer taxes due if the warrant Shares are to be registered in a name other than that of Warrantholder, the Company shall, as promptly as practicable, execute and deliver or cause to be executed and delivered, to or upon the written order of Warrantholder, and in the name of Warrantholder or Warrantholder's designee, a stock certificate or stock certificates representing the number of Warrant Shares to be issued on exercise of the Warrant(s). The certificates issued to Warrantholder or its designee shall bear any restrictive legend required under applicable law, rule or regulation. A Warrant shall be deemed to have been exercised and such stock certificate or stock certificates shall be deemed to have been issued, and such holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date that such notice, together with payment of the aggregate Exercise Price and the Warrant Certificate or Warrant Certificates evidencing the Warrants to be exercised, is received by the Company as aforesaid. If the Warrants evidenced by any Warrant Certificate are exercised in part, the Company shall, at the time of delivery of the stock certificates, deliver to the holder thereof a new Warrant Certificate evidencing the Warrants that were not exercised or surrendered, which shall in all respects (other than as to the number of Warrants evidenced thereby) be identical to the Warrant Certificate being exercised. Any Warrant Certificates surrendered upon exercise of Warrants shall be canceled by the Company.

D. Fair Market Value. For purposes of determining the number of Warrant Shares issuable upon exercise of Warrants in accordance with the preceding Subsection C, the Fair Market Value of the Warrant Shares shall mean as of the date of exercise (the "Determination Date"): (i) if the Warrant Shares are traded on the NYSE MKT or another national securities exchange, the average of the closing or last sale price, respectively, of the Warrant Shares as reported for the ten (10) trading days immediately preceding the Determination Date; (ii) if the Warrant Shares are not traded on a national securities exchange but are traded in the over-the-counter market, then the average of the mean of the closing bid and asked prices for a share of such stock reported for the ten (10) trading days immediately preceding the Determination Date; and (iii) if the Warrant Shares are not publicly traded, then as determined in good faith by the disinterested members of the Company's Board of Directors as being the price per share which the Company could reasonably obtain from a willing buyer (who is not an employee or director) for authorized but unissued shares of Warrant Shares.

#### Section 8. Adjustment of Number of Warrant Shares Issuable Upon Exercise of a Warrant and Adjustment of Exercise Price.

A. Adjustment for Stock Splits, Stock Dividends, Recapitalizations. The number of Warrant Shares issuable upon exercise of each Warrant and the Exercise Price shall each be proportionately adjusted to reflect any stock dividend, stock split, reverse stock split, recapitalization or the like affecting the number of outstanding shares of Preferred Stock that occurs after the date hereof.

B. Adjustments for Reorganization, Consolidation, Merger. If after the date hereof, the Company (or any other entity, the stock or other securities of which are at the time receivable on the exercise of the Warrants), consolidates with or merges into another entity or conveys all or substantially all of its assets to another entity, then, in each such case, Warrantholder, upon any permitted exercise of a Warrant (as provided in Section 7), at any time after the consummation of such reorganization, consolidation, merger or conveyance, shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise of the Warrant prior to such consummation, the stock or other securities or property to which such Warrantholder would have been entitled upon the consummation of such reorganization, consolidation, merger or conveyance if such Warrantholder had exercised the Warrant immediately prior thereto, subject to such further adjustments as may be required as a result of the occurrence after such consolidation or merger of the events described in this Section 8. The successor or purchasing entity in any such reorganization, consolidation, merger or conveyance (if other than the Company) shall duly execute and deliver to Warrantholder a written acknowledgment of such entity's obligations under the Warrants and this Agreement.

#### Section 9. Reservation of Shares.

The Company shall at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock, or its authorized and issued Common Stock held in its treasury, the aggregate number of the Warrant Shares deliverable upon the exercise of all outstanding Warrants, for the purpose of enabling it to satisfy any obligation to issue the Warrant Shares upon the due and punctual exercise of the Warrants, through the Warrant Expiration Date.

#### Section 10. No Impairment.

The Company shall not, by amendment of its certificate of incorporation or bylaws, or through reorganization, consolidation, merger, dissolution, issuance or sale of securities, sale of assets or any other voluntary action, willfully avoid or seek to avoid the observance or performance of any of the terms of the Warrants or this Agreement, and shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of Warrantholder under the Warrants and this Agreement against wrongful impairment. Without limiting the generality of the foregoing, the Company: (i) shall not set or increase the par value of any Warrant Shares above the amount payable therefor upon exercise, and (ii) shall take all actions that are necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of the Warrants.

#### Section 11. Representations and Warranties of Warrantholder.

Warrantholder represents and warrants to the Company that, on the date hereof and on the date the Warrantholder exercises the Warrant pursuant to the terms of this Agreement:

(i) Warrantholder is an "accredited investor", as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(ii) Warrantholder understands that the Warrants and the Warrant Shares have not been registered under the Securities Act and acknowledges that the Warrants and the Warrant Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration becomes available.

(iii) Warrantholder is acquiring the Warrants for Warrantholder's own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

#### Section 12. No Rights or Liabilities as Stockholder.

No holder, as such, of any Warrant Certificate shall be entitled to vote, receive dividends or be deemed the holder of Common Stock which may at any time be issuable on the exercise of the Warrants represented thereby for any purpose whatever, nor shall anything contained herein or in any Warrant Certificate be construed to confer upon the holder of any Warrant Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise), or to receive notice of meetings or other actions affecting stockholders or to receive dividend or subscription rights, or otherwise, until such Warrant Certificate shall have been exercised in accordance with the provisions hereof and the receipt and collection of the Exercise Price and any other amounts payable upon such exercise by the Company. No provision hereof, in the absence of affirmative action by Warrantholder to purchase Warrant Shares shall give rise to any liability of such holder for the Exercise Price or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

Section 13. Definitions.

Unless the context otherwise requires, the terms defined in this Section 13, whenever used in this Agreement shall have the respective meanings hereinafter specified and words in the singular or in the plural shall each include the singular and the plural and the use of any gender shall include all genders.

"Business Day" shall mean any day on which banking institutions are generally open for business in New-York.

"Exercise Price" shall be the price per Warrant Share at which Warrantholder is entitled to purchase Warrant Shares upon exercise of any Warrant determined in accordance with Section 7 and subject to adjustment as provided in this Agreement.

"Person" shall mean any corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual, government or political subdivision thereof or governmental body.

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar federal statute as at the time in effect, and any reference to a particular section of such Act shall include a reference to the comparable section, if any, of such successor federal statute.

"Warrant Shares" shall mean the shares Common Stock issuable upon exercise of the Warrants represented by the Warrant certificates issued hereunder.

Section 15. Notices.

All notices, consents, requests, waivers or other communications required or permitted under this Agreement (each a "Notice") shall be in writing and shall be sufficiently given (a) if hand delivered, (b) if sent by nationally recognized overnight courier, or (c) if sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to the Company:

Air Industries Group  
1479 Clinton Avenue  
Bay Shore, New York 11706  
Fax: 631-968-5377  
Attention: Chief Accounting Officer

With a copy to:

Eaton & Van Winkle, LLP  
Three Park Avenue, 16th floor  
New York, New York 10016  
Fax: 212-979-9928  
Attention: Vincent J. McGill, Esq.

if to Warrantholder:

Taglich Brothers, Inc.  
405 Lexington Avenue, 51st floor  
New York, New York 10174  
Fax: 1-212-661-6824 or 631-757-1333  
Attention: Richard Oh

or such other address as shall be furnished by any of the parties hereto in a Notice. Any Notice shall be deemed given upon receipt.

#### Section 15. Supplements, Amendments and Waivers.

This Agreement may be supplemented or amended only by a subsequent writing signed by the Company and the Warrantholder (or their successors or permitted assigns), and any provision hereof may be waived only by a written instrument signed by the party charged therewith.

#### Section 16. Successors and Assigns.

Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto. Warrants issued under this Agreement may be assigned by Warrantholder only to the extent such assignment satisfies the restrictions on transfer set forth in this Agreement; any attempted assignment of Warrants in violation of the terms hereof shall be void ab initio.

#### Section 17. Termination.

This Agreement (other than Sections 11, 13 and Sections 14 through 25, inclusive, and all related definitions, all of which shall survive such termination) shall terminate on the earlier of (i) the Warrant Expiration Date and (ii) the date on which all Warrants have been exercised.

#### Section 18. Governing Law; Jurisdiction.

A. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be governed by and construed in accordance with the laws of the State of Nevada.

B. Submission to Jurisdiction. Each party to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of the pertinent courts in the State of New York, County of New York and any appellate court from any thereof, in respect of actions brought against it as a defendant, in any action, suit or proceeding arising out of or relating to this Agreement or the Warrant Certificates and Warrants to be issued pursuant hereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action, suit or proceeding may be heard and determined in such courts. Each of the parties hereto agrees that a final judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

C. Venue. Each party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of or relating to this Agreement, or the Warrant Certificates and Warrants to be issued pursuant hereto, in any court referred to in Subsection B. Each of the parties hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action, suit proceeding in any such court and waives any other right to which it may be entitled on account of its place of residence or domicile.

#### Section 19. Third Party Beneficiaries.

Each party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto and their successors and permitted assigns.

#### Section 20. Headings

The headings in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

#### Section 21. Entire Agreement.

This Agreement, together with the Warrant Certificates and Exhibits, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and shall supersede any prior agreements and understandings between the parties hereto with respect to such subject matter.

#### Section 22. Expenses.

Each of the parties hereto shall pay its own expenses and costs incurred or to be incurred in negotiating, closing and carrying out this Agreement and in consummating the transactions contemplated herein, except as otherwise expressly provided for herein.

#### Section 23. Neutral Construction.

The parties to this Agreement agree that this Agreement was negotiated fairly between them at arm's length and that the final terms of this Agreement are the product of the parties' negotiations. Each party represents and warrants that it has sought and received legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that such party or parties drafted or was more responsible for the drafting of any such provision(s).

Section 24. Representations and Warranties.

The Company hereby represents and warrants to the Warrantholder that:

(a) the Company has all requisite corporate power and authority to (i) execute and deliver this Agreement and (ii) issue and sell the Common Stock upon the exercise of the Warrant Certificates and carry out provisions of this Agreement. All corporate action on the part of the Company necessary for the authorization, execution and delivery of this Agreement, the performance of all obligations of the Company hereunder, and the authorization (or reservation for issuance), sale and issuance of the Common Stock upon the exercise of the Warrant Certificates to be sold hereunder has been taken or will be taken prior to the date hereof;

(b) this Agreement constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to application affecting enforcement of creditor's rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief of other equitable remedies;

(c) the Common Stock issuable upon the exercise of the Warrant Certificates that is being purchased hereunder, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued and fully paid and will be free of restrictions on transfer, other than restrictions on transfer under applicable state and federal securities laws;

(d) subject in part to the truth and accuracy of Warrantholder's representations set forth in Section 11 of this Agreement, the offer, sale and issuance of the Common Stock issuable upon the exercise of the Warrant Certificates as contemplated by this Agreement are exempt from the registration requirements of the Securities Act; and

(e) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation, or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision or an event that results in creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture or nonremoval of any material permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties.

Section 25. Counterparts.

This Agreement may be executed in counterparts and in facsimile and each such counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

TAGLICH BROTHERS, INC.

AIR INDUSTRIES GROUP

By: \_\_\_\_\_

Name:

Title:

By: Peter D. Rettaliata

Peter D. Rettaliata

President and Chief Executive Officer

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO AIR INDUSTRIES GROUP (THE "COMPANY"). THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE ARE SUBJECT TO THE TERMS AND CONDITIONS OF, AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH, A WARRANT AGREEMENT BETWEEN THE COMPANY AND TAGLICH BROTHERS, INC. DATED AS OF JANUARY 1, 2014. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY.

FORM OF

WARRANT CERTIFICATE

AIR INDUSTRIES GROUP

COMMON STOCK PURCHASE WARRANT

NO. \_\_\_\_\_ WARRANTS

This Warrant Certificate certifies that Taglich Brothers, Inc. is the registered holder of 10,000 Warrants (the "Warrantholder") to purchase shares of Common Stock of Air Industries Group (the "Company"). Each Warrant entitles the holder, subject to the vesting terms set forth in the following sentence and the satisfaction of the conditions to exercise set forth in Section 7 of the Warrant Agreement referred to below, to purchase from the Company commencing April 1, 2014, the number of shares of Common Stock ("Warrant Shares") set forth in the following sentence until December 31, 2019 (the "Warrant Expiration Date") at the Exercise Price set forth in the Warrant Agreement. The Warrants may be exercised as to 2,500 Warrant Shares commencing April 1, 2014, a total of 5,000 Warrant Shares commencing on July 1, 2014, a total of 7,500 Warrant Shares commencing on October 1, 2014 and as to all 10,000 Warrant Shares commencing on January 1, 2015. The number of Warrant Shares for which each Warrant is exercisable and the Exercise Price are subject to adjustment as provided in the Warrant Agreement.

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants to purchase Warrant Shares and are issued pursuant to a Warrant Agreement, dated as of January 1, 2014 (the "Warrant Agreement"), between the Company and Taglich Brothers, Inc., which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and Warranholder.

Warranholder may exercise Warrants by surrendering this Warrant Certificate, with the Election to Purchase attached hereto properly completed and executed, together with payment of the aggregate Exercise Price, at the offices of the Company specified in Section 14 of the Warrant Agreement. If upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or its assignee a new Warrant Certificate evidencing the number of Warrants not exercised.

This Warrant Certificate, when surrendered at the offices of the Company specified in Section 14 of the Warrant Agreement, by the registered holder thereof in person, by legal representative or by attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, for one or more other Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

WITNESS the signatures of the duly authorized officers of the Company.

Dated: January 1, 2014

AIR INDUSTRIES GROUP

By: \_\_\_\_\_  
Peter D. Rettaliata  
President and Chief Executive Officer

NOTICE OF EXERCISE

To: Air Industries Group

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of Air Industries Group pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in Section 7B of the warrant Agreement, to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in Section 7B of the Warrant Agreement.

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

[PURCHASER]

By: \_\_\_\_\_

Name:

Title:

Dated: \_\_\_\_\_

ASSIGNMENT FORM

(To assign the foregoing warrant, execute this form and supply required information. Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is

\_\_\_\_\_.

\_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

\_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) UNDER THE EXCHANGE ACT

I, Daniel R. Godin, certify that:

1. I have reviewed this annual report on Form 10-K/A of Air Industries Group;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2016

/s/ Daniel R. Godin

Daniel R. Godin

Chief Executive Officer (Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a) UNDER THE EXCHANGE ACT

I, Marianne Giglio, certify that:

1. I have reviewed this annual report on Form 10-K/A of Air Industries Group;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2016

/s/ Marianne Giglio

Marianne Giglio

Chief Accounting Officer (Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

In connection with the Annual Report of Air Industries Group, a Nevada corporation (the "Company"), on Form 10-K/A for the year ended December 31, 2015, as filed with the Securities and Exchange Commission (the "Report"), Daniel R. Godin, Chief Executive Officer of the Company, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350), that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: April 28, 2016

/s/ Daniel R. Godin

Daniel R. Godin

Chief Executive Officer (Principal Executive Officer)

[A signed original of this written statement required by Section 906 has been provided to Air Industries Group and will be retained by Air Industries Group and furnished to the Securities and Exchange Commission or its staff upon request.]

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

In connection with the Annual Report of Air Industries Group, a Nevada corporation (the "Company"), on Form 10-K/A for the year ended December 31, 2015, as filed with the Securities and Exchange Commission (the "Report"), Marianne Giglio, Chief Accounting Officer of the Company, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350), that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: April 28, 2016

/s/ Marianne Giglio  
Marianne Giglio  
Chief Accounting Officer (Principal Financial Officer)

[A signed original of this written statement required by Section 906 has been provided to Air Industries Group and will be retained by Air Industries Group and furnished to the Securities and Exchange Commission or its staff upon request.]