



TERMS AND CONDITIONS OF PURCHASE

1. **General.** The following terms and conditions of purchase ("Order") shall be the final, complete and exclusive Order between the Rexnord entity named on the purchase order ("Buyer") and the entity which is providing the items ("Items") in the Order ("Seller") and supersedes all other communications in regards to the Items, whether written or oral. Any terms and conditions in any of Seller's other documents that vary with, are inconsistent to, or add to these terms are hereby objected to and are not binding upon Buyer without express written consent, even though there may have been acknowledgement, or the Items have shipped. This Order can only be modified in a writing accepted by the parties. To the extent this Order is construed as an acceptance of the Seller's offer, this acceptance is expressly conditioned on the Seller's assent to any additional or different terms contained in this Order.

2. **Assignment.** Seller may not assign or transfer (by operation of law or otherwise) this Order, in whole or in part, except with Buyer's express written consent. Buyer may assign or transfer this Order to Buyer's affiliate or to any entity that purchases all or substantially all of Buyer's assets without Seller's consent.

3. **Commercial Instructions.**

(a) Time is of the essence. Shipments are FOB (U.S. UCC) or DDP (International Incoterms 2010) Buyer destination, and shall strictly conform to this Order. If it appears Seller will not meet these terms, it shall promptly notify Buyer in writing, accelerate work, and ship via air or expedited routing at Seller's expense. Seller may not make early or partial deliveries.

(b) Prices include all taxes and shall not exceed those prices last granted or quoted, whichever is less. Prices will reflect any Seller price reduction post receipt of Order. If Buyer remits any additional payments to Seller or provides Seller any materials, components, parts, tools, dyes, molds, machinery, engineering, development, artwork, design work, plans, or sketches for free or at a reduced cost that are consumed or used in the manufacture of the purchased goods, Seller shall separately itemize and identify all such items, payments and additional value(s) on Seller's invoice.

(c) Invoices are due and payable net sixty (60) days and are subject to offset for Seller's failure to meet this or any order requirements. Payment does not constitute acceptance of Items. Discounts shall be computed as commencing with Buyer's receipt of invoice or Items, whichever is later.

(d) This Order is subject to cancellation by Buyer, in whole or in part, at any time prior to shipment, or in the event of force majeure. If cancelled under this subparagraph, Buyer's liability shall be limited to payment for completed, non-standard Items, provided Seller has not begun work or ordered materials earlier than the factory lead time stated to Buyer.

(e) Prior to shipment, Buyer's may change any term of this Order. If such a change affects the cost or time required for performance, an equitable adjustment shall be made by agreement of the parties.

4. **Inspection.** After receipt, Buyer shall have a reasonable time to inspect the Items for conformity to this Order. Items shall not be deemed accepted until Buyer has inspected or has run adequate tests to determine whether the Items conform to the specifications of this Order. Use of any Item for testing shall not constitute acceptance. Buyer shall have the right to reject all nonconforming Items, without liability, and return such Items FOB Buyer's plant, at Seller's expense.

5. **Indemnification.** Seller will indemnify, defend and hold harmless Buyer from any suit, claim, liability, damage, injury, cost or expense (including attorney's fees) for property damage or physical injury or death, to the extent arising out of or caused by Seller's actions or inactions under this Order, or from the use or performance or non-performance of the Items. Except for Items manufactured to Buyer's specification or design, Seller will also indemnify, defend, and hold harmless Buyer, and its customers, from any suit, claim, liability, damage, injury, cost or expense (including attorney's fees) arising out of any actual or claimed infringement of patent, trademark, copyright or other intellectual property right relating to Items or use thereof.

6. **Warranties.**

(a) Seller warrants that all Items shall be new, manufactured and supplied in accordance with applicable law, be free of any defects in title, and free from any liens, claims or other encumbrances. Seller further warrants that the Items shall be: (i) of merchantable quality; (ii) free from defects in materials, workmanship and design; (iii) suitable for the purpose intended; and, (iv) in conformance with the requirements of this Order, including but not limited to, the specifications, drawings, samples or other descriptions upon which this Order is based. Inspection, test, acceptance or use of the Items shall not affect Seller's obligation hereunder.

(b) In the event of Seller's breach of warranty, Buyer may, at its option and Seller's expense: (i) require Seller to immediately repair or replace non-conforming Items; (ii) take such actions as may be required to cure all defects and/or bring the Items into conformity with all requirements of this Order, in which event, all related costs and expenses (including, but not limited to, material, labor and handling costs and any required re-performance of value added machining or other service) and other reasonable charges shall be for Seller's account; (iii) withhold total or partial payment; (iv) reject and return all or any portion of such Items; and/or (v) rescind this Order without liability. These remedies shall be in addition to all other remedies available to Buyer at law or in equity and shall run to Buyer, its successors, assigns, customers, and users of the Items.

7. **Buyer Furnished Material.** If Buyer furnishes any material (including, but not limited to, raw materials, samples, tools, dies, jigs, drawings, specifications, plans, gauges, fixtures, patterns, molds, testing apparatuses, machinery, equipment and the like), such material shall remain the property of Buyer. Seller shall ensure that Buyer's material is properly identified as such, and is segregated from all other material. Seller is liable for risk of loss of such material while in its possession and shall deliver it to Buyer in the same condition as received by Seller, reasonable wear and tear excepted. When Buyer furnishes raw material, Seller shall not substitute any other raw material, nor shall Seller alter the physical or chemical properties of the Buyer furnished raw material except with Buyer's prior written consent.

8. **Laws.**

(a) Seller represents and warrants to Buyer that in performance of this Order, and to the extent applicable, it will fully comply with all federal, state and local laws, ordinances, rules, and regulations, including, but not limited to all provisions of Executive Order 11246, as amended, Executive Order 13496 and implementing regulations at 29 CFR part 471, appendix A to subpart A, the Vietnam Era Veterans' Readjustment Act of 1974, as amended, California Proposition 65, the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act, as amended, 41 CFR § 60-1.4 and 41 CFR § 60-741.5 and all related rules and regulations. **This Seller shall abide by the requirements of 41 C.F.R. 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans or individuals with a qualified disability, and requires affirmative action by covered contractors and subcontractors to employ and advance in employment qualified protected veterans or qualified individuals with disabilities.** Further, Seller agrees not to discriminate against any applicant for employment or employee because of age, race, color, sex, sexual orientation, gender identity, religion, or national origin. Seller certifies that it does not maintain any unlawful segregated facilities. This Order shall be deemed to incorporate by reference all provisions of the regulations implementing the foregoing federal laws and Executive Orders.

(b) Seller further represents and warrants to Buyer that in performance of this Order, and to the extent applicable, it will fully comply with the portions of the Federal Procurement Regulations, Sub-part 1-1.13 issued pursuant to Executive Purchase Order 11625, related to the utilization of minority business enterprises, the Occupational Safety and Health Act of 1970, the Clean Air Act and the regulations promulgated there under, including, but not limited to, requirements contained in 40 C.F.R. §§ 82.114 and 82.116, laws relating to hazardous substances, including the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and Federal and State regulations issued implementing such acts and regulating the storage and transportation of hazardous materials and all import and export laws and regulations of the Seller's country, Buyer's country and any other country where delivery is specified in this Order, including Section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304). At Buyer's request, Seller shall certify in a form satisfactory to Buyer whether the Items were manufactured with a controlled substance, as defined in 40 C.F.R. § 82.104.

(c) With respect to Section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304), Seller agrees, unless excepted by applicable law that every product and, if said product is shipped in a container or by pallet, its container/pallet, shall be marked in a conspicuous place as legibly, indelibly and permanently as the nature of the product and container/pallet, if applicable, will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the product. The countries from which product may be imported into the United States under this agreement shall be mutually agreed upon by the Seller and Buyer, and once agreed upon, shall not be modified without the express written consent of Buyer. In instances where, by nature of the product, the product is not shipped in a container or pallet and the product itself is not susceptible to marking, Seller shall mark the product (whether bulk or individual product) by wire tag; provided that Seller obtains prior written consent from Buyer and the wire tag meets the applicable marking obligations set forth herein.

(d) Seller shall promptly furnish Buyer all documentation, including but not limited to, certificates of origin (manufacturer's certificate) specifying origin of goods for each item purchased by Buyer from Seller under this Order, or end-user statements from Seller or Seller's government, which are reasonably necessary to support Buyer's application (or Buyer's Procurement Representative's application) for any applicable US import or export authorization(s).

(e) The Items covered by this Order may be part of a federal contract and may be within the jurisdiction of a federal entity. As such, Seller agrees to the FAR or DFAR terms that are attached to and made a part of this Order.

9. Remedies Cumulative and Non Waiver. Buyer's remedies shall be cumulative and in addition to any remedies allowed by law. The failure of Buyer to insist upon the strict performance of any provision of this Order shall not be construed as a waiver of such provision or any other provision, or as waiver of any of Buyer's rights under this Order.

10. Governing Laws. This agreement shall be construed and enforced according to the laws of the state of Wisconsin with the exclusion of its conflict of laws provisions. The parties consent to the exclusive jurisdiction and venue of the federal and state courts located in Milwaukee, Wisconsin in any action arising out or relating to this Order or the Items and both parties waive any objection they might have to jurisdiction or venue of such forum or that the forum is inconvenient. The parties specifically exclude the application of the U.N. Convention on the International Sale of Goods.

11. Sales/Use Tax Exempting. Buyer holds a Sales/Use Tax Permit or Regulation Number as stated on the face of this Order, and hereby certifies that it is tax exempt.

12. Conflict Minerals. If the product being sold hereunder contains Conflict Minerals, as that term is defined by the Securities and Exchange Commission in 17 CFR PARTS 240 and 249b (the "Regulations"), or has been manufactured using such Conflict Minerals, Seller agrees to source the materials and components used in the products sold hereunder or used to fabricate the products only from: (1) smelters that have been certified as conflict free compliant by the Electronics Industry Citizenship Coalition and/or the Global e-Sustainability Initiative; or, (2) conflict-free areas (i.e. countries that are not listed in the conflict zone as set forth in the Regulations, either now or as they may be amended). Alternatively, the sourcing has been expressly pre-approved by Rexnord in writing.

13. Limitation of Liability. NOTWITHSTANDING ANY PROVISION OF THIS ORDER OR THE LAW, IT IS EXPRESSLY AGREED THAT BUYER'S LIABILITY SHALL NOT EXCEED THE PURCHASE PRICE AND THAT IN NO EVENT SHALL BUYER BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND.

