

## CONDITIONS OF PURCHASE

1. **Acceptance:** This Order is Buyer's offer to buy the items set forth on its face ("Items"). Seller's acknowledgment or commencement of performance will constitute acceptance of this Order, and its terms and conditions. Any term or condition in any writing of Seller seeking to modify this Order is expressly rejected. This Order can only be modified in a writing accepted by the parties.
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 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 will: include all taxes; not exceed those prices last granted or quoted, whichever is less; and, reflect any Seller price reduction post receipt of order.
  - c) Invoices are due and payable net sixty (60) days and are subject to offset for Seller's failure to meet Order requirements. Payment does not constitute acceptance of Items. Discounts shall be computed as commencing with Buyer's receipt of invoice or merchandise, whichever is later.
  - e) This Order is subject to cancellation by Buyer, in whole or in part, at any time prior to acceptance or, at any time if due to force majeure, without liability, and prior to shipment by paying reasonable expenses incurred by Seller up to the time of cancellation (expenses to be agreed to by the parties); provided Seller has not begun work earlier than the factory lead time stated to Buyer. In no event shall Buyer be liable for lost profits, direct or indirect, incidental, or consequential damages.
  - f) Prior to shipment Buyer's purchasing agent may change any term of this Order. If this 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) arising out of, or caused by, this Order or Seller's performance hereunder or any defects in the Items.
6. **Warranties:** In addition to any other warranties, 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. The Items shall be of merchantable quality, free from defects in materials, workmanship and design, shall be suitable for the purpose intended, and shall conform to 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. Seller's liability shall include, at Buyer's election and without expense to Buyer: repair, replacement, or refund of the price of all nonconforming Items. These remedies shall be in addition to all other remedies available to Buyer at law or in equity. Except for items manufactured to Buyer's specification and plans, Seller will 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. These warranties shall run to Buyer, its successors, assigns, customers, and the 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:** Seller represents and warrants to Buyer that in performance of this Order it will fully comply with all applicable federal, state and local laws, ordinances, rules, and regulations, including, but not limited to: Equal Employment Opportunity Executive Order 11246; paragraphs (1)-(7) of Section 60-1.4 (a) of the Rules and Regulations of the Department of Labor, Office of Federal Contract Compliance, Equal Employment Opportunity (41CFR Ch. 60); Employment of Veterans (41 CFR Part 50-250.3); Employment of the Handicapped (41 CFR Section 60-741.4); 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 thereunder, including, but not limited to, requirements contained in 40 C.F.R. §§ 82.114 and 82.116. 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.; 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; 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).
  - a) 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.
  - b) 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).
9. **Remedies Cumulative:** Buyer's remedies shall be cumulative and remedies herein specified do not exclude any remedies allowed by law. The failure of Buyer to insist upon the strict performance of any provision of this purchase 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. Acceptance of any Items or payment therefor shall not waive any Seller breach.
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 statutes and subject to its jurisdiction.
11. **Federal Contracts:** The items covered by this purchase 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.
12. **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.

13. **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.