

TERMS AND CONDITIONS OF SALE

General. The following terms and conditions of sale ("Contract") shall be the only terms applicable to any contract for sale between the Rexnord entity named on the Purchase Order or Acknowledgment ("Seller") and Buyer. Any terms and conditions in any of Buyer's other documents that vary with, are inconsistent or add to these terms are not acceptable and not binding upon Seller without express written consent even though there may have been acknowledgment, work has commenced or the order has shipped. This Contract may only be amended in a writing signed by both parties and is the total agreement between the parties. All proposals, negotiations, representations, recommendations, statements or agreements made or entered into prior to or concurrent to this Contract are excluded. When used herein the terms "Warehoused Product" "Stock Product" "Standard Product" or "products from the warehouse" refers to a product that is standard product, currently in stock, and inventoried by Seller and identifiable as returnable ("Standard Product"). The term "Product" refers to both Standard Product and Non-standard or Non-stocked Product, and the term "Services" refers to repair or maintenance of "Products" unless otherwise noted herein.

Acceptance and Price. Quotations are valid for thirty (30) days unless extended in writing by Seller. Prices quoted will be firm for orders accepted at the factory within thirty (30) days, where material is released and scheduled by Seller for shipment within thirty (30) days after the date of order entry; otherwise, Seller reserves the right to apply prices in effect at the time of shipment. Terms of payment, discounts, or minimum charges applicable to quotations are contained on www.rexnord.com/terms. Additional charges may be made to cover any unforeseen or unusual cost elements that may not have been contemplated including without limitation, overtime work authorized by Buyer, special packing, engineering, and documentation. All orders are subject to acceptance by Seller at the factory and credit approval.

Prices do not include sales, use, excise, VAT, GST, and all similar taxes. Total prices on invoices may differ slightly, as price records for electronic calculation may either be on a "list and discount" or on a net basis.

Shipment and Delivery. With the exception of any sale between two Rexnord affiliates (entities under the common control of an ultimate parent) that are subject to the terms of an active Intercompany Sales Agreement, all shipments are Ex Works (International Incoterms 2010) or FOB (U.S. UCC), Seller shipping point at which point title also transfers. If the Buyer asserts a claim against the transportation company, Seller will cooperate in attempting to resolve such claim. Delivery dates are approximate, not guaranteed, and are subject to prior sale. Goods are deemed delivered on the day the shipment is made available to the carrier ("Delivery Date"). Any order request outside of normal lead times ("Expedited Service") will be charged as follows: Same Day Stocked Standard product: no charge. All other products: 15% of order value (\$100 minimum fee) plus any other applicable charges and costs. Emergency after-hours fee of \$250 will be charged in addition to fees set forth above. Freight Charges. For distributor orders for standard product over \$2,500 and PPD, no additional freight will be charged in contiguous United States. For all others, freight will be charged.

Force Majeure. Seller shall not be liable for delays in delivery due to circumstances beyond its reasonable control, including, but not limited to, acts of government, nature, or the public enemy, civil or labor unrest, fires, floods, explosions, energy shortages or unavailability or reduced availability of supply at its usual source.

Cancellation and revision charges: Standard Product - no charge for cancellation if made prior to shipment. All other Product will incur a \$100 minimum cancellation charge. Additional charges may apply (up to 100% of the value of the Contract) based on stage of order completion when cancellation or revision is requested. Such charges may include engineering, drawing, or manufacturing development time. Reschedules may not be made unless written notification is received and accepted at the manufacturing location more than 90 days prior to the latest acknowledged shipping date, and then only upon terms which will indemnify Seller against loss. Buyer delay that creates incremental costs may result in a charge to Buyer.

Patents. Seller will defend and hold Buyer harmless against claims of infringement of United States patents issued at the time of sale to Buyer; provided such claims are based exclusively on infringement by products designed and manufactured by Seller and not based on the use of the products in combination with Products manufactured by others. Seller must be notified in writing, tendered the defense and be allowed to obtain a license for Buyer or substitute a non-infringing equivalent product. In no event will Seller's total liability to Buyer exceed the purchase price of the Product.

Product Safety and Safety Devices. Products designed and manufactured by Seller are capable of being used in a safe manner; but Seller does not warrant their safety under all circumstances. Products are provided with only those safety devices identified herein. IT IS BUYER'S RESPONSIBILITY TO FURNISH THE APPROPRIATE GUARDS AND TO INSTALL AND USE THE PRODUCTS IN A SAFE MANNER IN COMPLIANCE WITH APPLICABLE HEALTH AND SAFETY REGULATIONS AND LAWS AND GENERAL STANDARDS OF REASONABLE CARE. IF BUYER FAILS TO DO SO, BUYER SHALL INDEMNIFY SELLER FROM ANY LOSS, COST, EXPENSE, ACTION OR CAUSE OF ACTION RESULTING FROM SUCH FAILURE.

Packing and Shipping. Seller will decide how to pack and ship unless specific written instructions are given by Buyer and accepted by Seller. If required, special export packaging that includes extra packaging, fully crated, with corrosion protection and heat-treated lumber can be included for an additional 3% of order value (\$300 minimum fee). Such packaging will not be provided by Seller unless requested in writing by Buyer.

Designs, Dimensions and Weights. Due to normal Product changes, the designs, dimensions, materials, components and weights shown in printed and electronic catalogs are subject to variation. If complete accuracy is required for an application, Buyer must request additional information or certification from Seller.

Manufacturing Devices and Technical Information. Unless otherwise agreed to in writing by Seller, all manufacturing devices, design data and other technical information relating to an order shall remain Seller's property. Buyer's patterns/tooling in Seller's possession are held at Buyer's risk and not covered by Seller's insurance.

Warranty. Seller warrants that its Products (i) conform to Seller's published specifications, and (ii) are free from defects in material or workmanship for one year from the date of shipment. Specific products and/or services may have a warranty period greater than one year. See www.rexnord.com/terms for those Products where extended warranties may apply (document 100-003). Should a warranted Product fail to conform to these warranties within the warranty time period, Buyer must promptly notify Seller in writing. Seller will, at its discretion and at no charge to the Buyer: (i) repair the Product (ii) replace the Product, or (iii) offer a full refund of that portion of the purchase price allocable to the non-conforming Product. These remedies are the exclusive remedies for breach of warranty.

What is Not Covered by this Warranty. No representative of Seller has authority to waive, alter, vary or add to the terms hereof of without prior written approval of an officer of Seller. It is expressly agreed that the entire warranty given to the Buyer is contained in this writing. Seller does not warrant any defects in, damage to, or failure of products caused by: (i) dynamic vibrations imposed by the drive system in which such products are installed unless the nature of such vibrations has been defined and accepted in writing by Company as a condition of operation; (ii) failure to provide suitable installation environment; (iii) use for purposes other than those for which designed, or other abuse or misuse; (iv) unauthorized attachments, modifications or disassembly; or (v) damage during shipping. Buyer's care in selection, adequate testing at time of installation and proper installation, operation and maintenance of all Products is required for adequate performance.

Disclaimer of Warranty. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL COMPANY BE LIABLE IN TORT OR CONTRACT OR UNDER ANY OTHER LEGAL OR EQUITABLE THEORY OF LAW FOR ANY INCIDENTAL SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

Allocation of Risks. This warranty allocates the risks of product failure between Seller and Buyer. This allocation is recognized by both parties and is reflected in the price of the goods. Buyer acknowledges that it has read this Contract, understands it, and agrees to and is bound by its terms.

Limitations of Liability in General. IT IS EXPRESSLY AGREED THAT SELLER'S LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THIS TRANSACTION OR THE USE OF ITS PRODUCTS, WHETHER IN CONTRACT OR TORT, IS LIMITED TO THE REPAIR OR REPLACEMENT OF THE PRODUCT OR THE PARTS THEREOF BY SELLER OR, AT SELLERS OPTION, A REFUND OF A PORTION OF THE PURCHASE PRICE. UNDER NO CIRCUMSTANCES WILL SELLER, ITS OFFICERS, DIRECTORS, EMPLOYEES OR ASSIGNS BE LIABLE FOR ANY OTHER INJURY, LOSS, DAMAGE OR EXPENSE WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE; INCLUDING BUT NOT LIMITED TO LOSS OF USE, INCOME, PROFIT, PRODUCTION OR INCREASED COST OF OPERATION, SPOILAGE OR DAMAGE TO MATERIAL, OR CHANGE OUT COSTS.

Domestic Terms of Payment. Terms of payment, unless agreed upon, are thirty (30) days net from date of invoice. 1% 10th and 25th Prox, 20th prox. Rexnord reserves the right to charge interest at the rate of 1.5% per month or the highest rate allowed by law, whichever is lower, for all amounts more than thirty (30) days past due. Costs of collection (including reasonable attorney's fees) will be the responsibility of the Buyer.

Export Terms of Payment. Terms of payment will be arranged subject to approval of Seller's Credit Department.

Minimum Charge. A \$100.00 minimum charge will be assessed for non-stocked Products. The minimum charge will not apply for stocked items or non-stocked Product processed via EDI, C2C, Club Gearhead, or MyRexnord.com

Compliance with Law. Buyer agrees to comply with the export laws of the United States with regard to the exportation of the products and any technical data associated therewith.

Time for Commencing Suit. Any action for breach of any of the terms of this Contract must be commenced within six (6) months of the alleged breach.

Legal Construction. The laws of the State of Wisconsin shall apply to this Contract, with the exception of its conflict of laws provisions. The failure of Seller to insist upon strict performance of any of the terms and conditions stated herein shall not be considered a continuing waiver of any such term or condition or of any of Seller's rights. The headings in this Contract are informational and do not modify the agreement. The parties specifically exclude the application of the U.N. Convention on the International Sale of Goods.

Returned Material. Orders of Standard Product are subject to Seller's returned goods policy as set forth on www.rexnord.com/terms (document 100-004 Returns).



100-002 Rexnord Terms ID ONLY
Effective 1/1/12. Supersedes document
dated 1/1/11 and all other documents.