

NORD GEAR CORPORATION
TERMS AND CONDITIONS OF PURCHASE

1. ACCEPTANCE

By this Purchase Order Nord Gear Corporation, hereinafter referred to as the Buyer offers to purchase solely in accordance with and limited to the terms and conditions. The Seller must accept the order in writing no later than the close of the next business day from the Buyer's release. By accepting the Buyer's purchase, the Seller waives any terms and conditions of sale of its own if inconsistent with Buyer's terms. All verbal agreements must be confirmed in writing and no deviations from said offer shall be acceptable unless agreed to in writing by both Buyer and Seller.

2. TERMS OF DELIVERY

(a) Time is of the essence in this order. Deliveries are to be made both in quantities and at the time specified in schedules furnished by Buyer, failing which Buyer reserves the right to purchase elsewhere. Any items shipped to the Buyer in error, or in excess of quantities specified on buyer's release, will be returned to seller freight collect. Buyer may, from time to time, change delivery schedules or cancel scheduled shipments. Buyer reserves the right to cancel the order and reject the goods upon default by Seller to deliver within the time specified herein or Buyer may approve, at its option, in writing, a revised delivery schedule. The Seller, once the offer is accepted, shall have no right to hold up, cease, cancel, or delay deliveries due to possible differences of opinion on previous business dealings.

(b) The supplier commits to act according to the "Dodd-Frank Wall Street Reform and Consumer Act".

(c) The supplier ensures that the latest technical documents (amongst others manual, EC-Declaration of Conformity, EC-Type examination certificate etc.) are available for NORD at any time. NORD has to be informed immediately, if the documents are modified.

(d) The supplier ensures that deliveries under the order are RoHS-compliant and therefore in conformity with the EC Directive on the Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment (Directive 2011/65/EU) at the time of delivery. In the event that deliveries fail to comply with this EC Directive, the supplier must inform us of this immediately in writing and shall – without prejudice to any warranty claims NORD may raise – compensate NORD for any damage arising from such non-compliance.

(e) The supplier ensures that the delivered products comply with the provisions of Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Any substances contained in the products must be pre-registered or after expiration of the transitional period registered if required by the REACH regulation.

Should the delivered goods contain substances which are part of the "Candidate List of Substances of very High Concern" ("SVHC-List") of REACH, the supplier is committed to notify NORD immediately. This also applies for current deliveries if previously non registered substances become included in the list. You can view the latest list on:

http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp.

Furthermore the products may not contain asbestos, biocide or radioactive material.

In case of violation of any of the aforementioned obligations NORD is entitled to cancel the corresponding order immediately and to refuse the corresponding delivery without any costs. Potentially existing claims remain unaffected; a cancellation or a refusal does not imply any waiver of any right to claim.

(f) The Office of Foreign Asset Controls in the U.S. Department of the Treasury administers a number of different trade sanctions programs. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions. Nord Gear USA business operations must comply with these trade sanctions programs more fully described at: <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

3. SHIPMENT

Unless otherwise specified in writing, Seller agrees to ship merchandise via the most economical means.

4. PACKING LISTS

All shipments must be accompanied by packing lists showing Buyer's order number, description of material and quantity, and part number.

5. PRICE

Calculations for cash discount or net payment period will be from the date of invoice. No extra charges for packing or cartage or freight will be allowed unless specifically agreed to in writing by the Buyer.

6. TERMS OF PAYMENT

Payments will be one (1%) percent within fifteen (15) days or thirty (30) days net. Time period commences from the date of invoice. All invoices will be directed to the Accounts Payable Department of Nord Gear. The Seller shall not assign its accounts receivable against Buyer to a third party.

7. TAXES

Seller shall be responsible for the payment of all New Jersey sales and use taxes imposed by law upon or on account of this order. Buyer is responsible for all Wisconsin sales and use taxes. Buyer has provided a sales tax exemption form to the seller.

8. WARRANTIES

Seller warrants that the goods and services described herein shall be free from defects in workmanship and materials, and shall strictly conform to applicable specifications, drawings, and approved samples for a period of one year. (Except where, after delivery to Nord, exposure to high humidity has caused the bearings to rust.) Specifications, including performance specifications, and if of Seller's design, will be free from design defects. These warranties shall be in addition to any other warranties, express, implied or statutory. All warranties shall run to Buyer. No inspection or acceptance of, or payment for goods, made by Buyer shall constitute a waiver of such warranties or of any action against Seller for breach of such warranties.

Notwithstanding anything to the contrary contained herein, it is expressly stipulated that any and all warranties and/or guaranties stated herein shall immediately cease and terminate in the event that products or any parts or appurtenances thereto are altered or modified by Buyer or user of Products without the written consent of the Seller.

9. PRODUCT LIABILITY

(a) The supplier is obliged to indemnify us against all claims due to product liability insofar as he is liable for the fault giving rise to such liability. In such cases he shall accept all costs and expenses, including the costs of any legal proceedings or a precautionary recall action. Insofar as is possible and reasonable, we shall inform the supplier of the content and scope of recall measures and provide him with opportunity for comment. Further legal claims remain unaffected.

(b) The supplier shall insure himself to an adequate amount against all insurable risks resulting from product liability, including the risk of recall. He must submit the insurance policy to us for inspection on demand.

10. QUALITY

Buyer may inspect all material within a reasonable time after delivery and return at Seller's expense all or any portion not meeting its specifications. If specifications are not met, material may be returned at Seller's expense and risk for all damages incidental to the rejection. Payment of invoices shall not be deemed as an acceptance of material delivered hereunder, nor impair Buyer's right to inspect or any of its remedies or claims hereunder.

11. CONFIDENTIAL INFORMATION

Any specifications, drawings, technical information, or data furnished to Seller hereunder, shall remain Buyer's property, be kept confidential, be used only as expressly authorized, and returned at Buyer's request.

12. CODE OF CONDUCT / SOCIAL RESPONSIBILITY

Compliance with the laws of the applicable jurisdiction is a contractual obligation. The supplier shall explicitly not either passively or actively undertake any form of bribery, infringement of the fundamental rights of his employees, or utilisation of child labour. He is responsible for the health and safety of his employees at the workplace, shall observe environmental protection laws and shall demand compliance with these principles from his own suppliers.

13. ADVERTISING

Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise, publish, or otherwise disclose the fact that the Seller has furnished, or has contracted to furnish to Buyer, the material and/or services ordered hereunder.

14. SUBCONTRACTS

Seller shall not subcontract or delegate its obligations under this order without the written consent of Buyer. Purchase of parts and materials normally purchased by Seller or required by this order shall not be construed as subcontracts or delegations.

15. PATENTS

By accepting this order, Seller guarantees that the material hereby ordered and the sales or use of it will not infringe any United States or foreign Letters Patent, and Seller agrees to defend, protect and save harmless Buyer, its successors, assigns, customers and users of its products, against all suits at law or in equity, and from all damages, claims and demands, for actual or alleged infringement of any Patent by reason of the sale or use of the material hereby ordered. Seller will settle or defend, at Seller's expense (and pay any damages, costs or fines resulting from), all proceedings or claims against Buyer, its subsidiaries and affiliates and their respective customers, for infringement, or alleged infringement, by the goods furnished under this order, or any part of use thereof of patents (including utility models and registered designs) now or hereafter granted in the United States or in any country where Seller, its subsidiaries or affiliates, heretofore have furnished similar goods. Seller will, at Buyer's request identify the countries in which Seller, its subsidiaries or affiliates heretofore have furnished similar goods.

16. REMEDIES

The remedies herein reserved shall be cumulative, and additional to any other or further remedies provided in law or equity. No waiver or breach of any provision of this contract shall constitute a waiver of any other breach, or of such provision;

17. LIENS

Seller agrees to deliver to Buyer the articles covered by this Purchase Order free and clear of all liens, claims and encumbrances.

18. GENERAL PROVISIONS

If a provision is or becomes ineffective, the validity of the remaining provisions shall remain unaffected

19. APPLICABLE LAW

The contract shall be construed and interpreted in accordance with the laws of the State of Wisconsin.

(a) FAIR LAW STANDARD ACT: Seller warrants that in the performance of this order. Seller has complied with all the provisions of the Fair Law Standards Act of 1938 of the United States, as amended.

(b) OCCUPATIONAL SAFETY AND HEALTH ACT: Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the Standards and Regulations issued thereunder, and any amendments thereof, and certifies that all items furnished under this order are in compliance with the laws, Standards and Regulations. Seller further agrees to indemnify and hold harmless Buyer from all damages assessed against Buyer as a result of Seller's Failure to comply with the Act and the Standards issued thereunder and for the failure of the items furnished under this order to so comply. In the event that Seller or its agents come on the premises of Buyer, it is agreed that all activities conducted by same on said premises shall be in accordance with the provisions of the Occupational Safety and Health Act of 1970, and the Standards and Regulations issued thereunder. Seller further agrees to indemnify and hold harmless Buyer from all claims and damages resulting from Seller's or its agents' failure to conduct their activities on Buyer's premises in accordance with said Act and the related Standards.

(c) WAGE AND HOUR LAW: Seller represents that it complies with applicable wage and hour laws and agrees to hold Buyer harmless against claims for violation of such laws.

(d) GOVERNMENT REGULATIONS: Seller warrants that all applicable laws, rules and regulations of governmental authority covering the production, sale and delivery of the materials or service specified herein have been complied with.

(e) EQUAL EMPLOYMENT OPPORTUNITY: Seller agrees to comply with all laws, regulations, and relevant orders of the Secretary of Labor related to equality of employment opportunity which laws, regulations and orders are incorporated herein by reference.