

NORD GEAR CORPORATION

Member of the NORD DRIVESYSTEMS Group



DRIVESYSTEMS

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TERMS AND CONDITIONS OF PURCHASE

1. ACCEPTANCE

By this Purchase Order, Nord Gear Corporation, hereinafter referred to as the Buyer, offers to purchase Goods solely in accordance with and limited to these terms and conditions. The supplier must accept the order in writing no later than the close of the next business day from the Buyer's issuance of the Purchase Order. By accepting the Buyer's order, the supplier 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 these terms and conditions shall be acceptable unless agreed to in writing by both Buyer and supplier.

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 Purchase Order, 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 supplier to deliver within the time specified herein. The supplier, 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 warrants and represents that the latest technical documents (amongst others manual, EC-Declaration of Conformity, EC-Type examination certificate etc.) are available for the Buyer at any time. The Buyer has to be informed immediately, if the documents are modified.

(c) The supplier warrants and represents 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 the Buyer of this immediately in writing and shall – without prejudice to any warranty claims the Buyer may raise – compensate the Buyer for any damage arising from such non-compliance.

(d) The supplier warrants and represents 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 shall notify the Buyer 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 the supplier violates any of the aforementioned obligations, the Buyer is entitled to cancel the corresponding order immediately and to refuse the corresponding delivery without any costs to the Buyer. A cancellation or a refusal by the Buyer does not constitute any waiver of any other rights or claims which the Buyer may have.

(e) 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, supplier 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 supplier shall not assign its accounts receivable due from Buyer to a third party.

7. TAXES

Supplier shall be responsible for the payment of all state sales and use taxes imposed by law upon or on account of this order. Notwithstanding the preceding sentence, Buyer is responsible for all Wisconsin sales and use taxes. Buyer has provided a sales tax exemption form to the seller.

8. WARRANTIES

Supplier 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. If of supplier's design, the goods and services 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 supplier 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 supplier.

9. PRODUCT LIABILITY

(a) The supplier shall indemnify the Buyer against all claims due to product liability relating to the goods or products sold by the supplier. In such cases the supplier shall accept all costs and expenses, including the costs of any legal proceedings or a precautionary recall action. Insofar as is possible and reasonable, the Buyer shall inform the supplier of the content and scope of recall measures and provide the supplier with opportunity for comment. Further legal claims remain unaffected.

(b) The supplier shall obtain and pay for adequate insurance coverage against all insurable risks resulting from product liability, including the risk of recall. The supplier must submit the insurance policy to the Buyer for inspection on demand.

10. QUALITY

Buyer may inspect all material within a reasonable time after delivery and return at supplier's expense all or any portion not meeting its specifications. If specifications are not met, material may be returned at supplier'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 shall payment of invoices 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 supplier hereunder shall remain Buyer's property, be kept confidential, be used only as expressly authorized, and be returned at Buyer's request.

12. CODE OF CONDUCT / SOCIAL RESPONSIBILITY

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

13. ADVERTISING

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

14. SUBCONTRACTS

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

15. PATENTS

By accepting this order, supplier guarantees that the material hereby ordered and the sale or use of it will not infringe any United States or foreign Letters Patent, and supplier agrees to indemnify, 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. Supplier will settle or defend, at supplier'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 supplier, its subsidiaries or affiliates, heretofore have furnished similar goods. Supplier will, at Buyer's request identify the countries in which supplier, its subsidiaries or affiliates heretofore have furnished similar goods.



16. REMEDIES

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

17. LIENS

Supplier 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 of these terms and conditions is or becomes invalid or 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:** Supplier warrants that in the performance of this order. Supplier 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:** Supplier 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. Supplier further agrees to indemnify and hold harmless Buyer from all damages assessed against Buyer as a result of supplier'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 supplier or its agents come on the premises of Buyer, all activities conducted by supplier or its agents 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. Supplier further agrees to indemnify and hold harmless Buyer from all claims and damages resulting from supplier'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:** Supplier 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:** Supplier 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 and will be complied with.

(e) **EQUAL EMPLOYMENT OPPORTUNITY:** Supplier 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.