

# ANTIBOYCOTT COMPLIANCE POLICY

## Policy

Rexnord and its affiliates are subject to US antiboycott laws, which prevent us from taking action in support of a boycott imposed by a foreign country upon a nation that is friendly with the US. In addition, other jurisdictions have adopted antiboycott laws, which apply to every person acting within that jurisdiction. We must fully comply with these antiboycott laws.

## Overview

US and local laws prohibit participation in any unauthorized boycott. For our purposes, the principal boycott concern is the Arab league's boycott of Israel.

Broadly stated, the following are the potential consequences of violating the antiboycott laws: loss of foreign tax credits; fines and penalties; denial of export privileges; and in certain circumstances, imprisonment.

Generally speaking, boycott violations can cover a wide range of information and activities including, but not limited to:

- agreeing to comply with a boycott;
- agreeing to refuse or refusing to do business with or in Israel, or with a blacklisted company;
- agreeing to or furnishing:
  - information about business relationships in Israel or with blacklisted companies;
  - information about whether our subsidiaries are blacklisted companies; or
  - a negative certificate of origin (i.e., goods are not of Israel origin).

Requests come in a variety of forms: letters of credit; requests for quotations; purchase orders; vendor qualifications; formal contracts; and e-mails, as well as orally. Requests can be categorized as:

- acceptable and not reportable;
- acceptable but reportable; or
- not acceptable and reportable.

All associates must report all requests, written or oral, to the Trade Compliance Department. If the request is in oral form, it must be summarized in written form and forwarded to the Trade Compliance Department. Remember, it is not a violation of law to receive these requests. It is, however, a violation not to report certain requests. Therefore, it is critical that you forward such requests to the Trade Compliance Department.

## Procedure

If you receive any of the above forms of communication from any Middle Eastern countries or Malaysia, Indonesia, Bangladesh or Pakistan, you must review these for potential boycott related language. Key words include but are not limited to: "boycott", "blacklist", "whitelist", "Israel", "enter port of", "customs laws of [countries listed above]", and "flag and nationality of carrying vessel."

If any communication containing such language is received by you, you must contact the Trade Compliance Department immediately and refrain from responding to such request or complying with it prior to a written clearance from the Trade Compliance Department.