

	100.102.006	Anti-Corruption Policy – Global Appendix 6 MANDATORY CONTRACT TERMS		
CORPORATE LEGAL ETHICS & COMPLIANCE	Policy Owner:	Associate General Counsel - Compliance		
	Effective Date:	2015-Jun-17	Rev: 6	Page 1 of 2

MANDATORY THIRD PARTY CONTRACTUAL PROVISIONS

The following mandatory provisions must be included in all agreements between Regal (including all Regal Beloit Corporation affiliates and subsidiaries) and any Business Partner [Third Party] operating in locations outside of the United States.

Mandatory Provisions

[in the definitions section of the Agreement or at first mention here define “FCPA” and “Public Official”]

1.0 Acknowledgement. The FCPA and other laws make it unlawful for Regal or anyone acting on its behalf to offer, pay, promise or authorize to pay any money, gift or any thing of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for Company or one of its subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries, but also employees of companies which are owned or controlled by the state. Other anti-corruption laws prohibit commercial bribery of any kind. [Third Party] acknowledges and confirms its understanding of anti-corruption requirements worldwide, including the FCPA and U.K. Bribery Act, and agrees to comply with any applicable anti-bribery and anti-corruption laws and not to take or fail to take any action that might in any way cause Regal [the Company] to be in violation of the FCPA or any other law prohibiting bribery, corruption or fraud.

2.0 Representations, Warranties and Covenants [of Third Party]. [Third Party] makes the following representations and warranties to the Company, and covenants and agrees as follows:

2.1 Public and Commercial Bribery Representations, Warranties and Covenants [of Third Party]. [Third Party] hereby represents, warrants and covenants to the Company that it has not, and covenants and agrees that it will not, in connection with the transactions contemplated by the Agreement or in connection with any other business transactions involving the Company, make or promise to make any payment or transfer of anything of value, directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for the Company or any of its subsidiaries or affiliates. It is the intent of the parties that no payments or transfers of value shall be made which have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business.

2.2 No Governmental Ownership [of Third Party]. [The Third Party] hereby represents and warrants to the Company that no ownership interest, direct or indirect, in [the Third Party] or in the contractual relationship established by the Agreement, is held or controlled by any Public Official.

2.3 [Third Party's] Compliance Procedures Acknowledgement. [The Third Party] agrees (i) any payments to [the Third Party] by the Company under the Agreement shall be made by check or wire transfer only, directly to [the Third Party] or to a bank account in [the Third Party's] name, and no requests for cash payments or other payments in non-bearer form shall be accepted; (ii) any payments to [the Third Party] by the Company shall be made in the non-U.S.

country where [the Third Party] is to perform its duties under the Agreement or in the United States; (iii) [the Third Party] agrees that its books and records showing expenses incurred pursuant to this Agreement shall reflect the purpose for which each expenditure was made and for whose benefit the expenditure was made and that there will be written records of each and every service that [the Third Party] performs for the Company or on the Company's behalf; (iv) [the Third Party] shall retain accurate, detailed records of, and permit the Company to review upon written request, any expenses or costs of [the Third Party] which the Company is required to reimburse under the Agreement, including any training-related expenses; and (v) the terms of the Agreement may be disclosed to government agencies and other persons with a legitimate need for such information, including, but not limited to, the U.S. Department of Justice or the U.S. Securities and Exchange Commission.

2.4 The Company's Rights upon an FCPA Default. In the event that the Company believes in good faith, and whether or not it has conducted an investigation, that [the Third Party] has acted in any way that may subject the Company to liability under the FCPA or any other anti-corruption or anti-bribery law, the Company shall have the unilateral right, exercisable immediately upon written notice to [the Third Party], to terminate the Agreement.

2.5 Representative Certifications. [the Third Party] agrees that it will, and will cause each of its directors, officers, employees, agents or other representatives who have any direct involvement with any of the management or operations of the business of [the Third Party] under the Agreement, at the request of the Company, and at least annually, provide the Company with a certification in the form hereto attached and incorporated by reference as _____. [Attach the Company's Representative Certification.]

2.6 The Company's Right of Investigation. In the event that Regal has a reasonable basis to believe that [the Third Party] has taken or failed to take any action that may subject Regal to liability under the FCPA or any other applicable law, [the Third Party] agrees Regal shall have the right, upon written notice to [the Third Party], to conduct an investigation and audit of [the Third Party] to determine Regal's reasonable satisfaction whether or not any actions or failures to act on behalf of [the Third Party] may subject Regal to liability for corruption, bribery or fraud. [The Third Party] agrees to cooperate fully with such investigation, the scope, method, nature and duration of which shall be at the sole reasonable discretion of Regal.

Author:	Fernando Ruiz Associate General Counsel - Commercial	Fernando.ruiz@regalbeloit.com +1 260-416-5685
Approvers:	<input type="checkbox"/> Risk & Compliance Committee <input checked="" type="checkbox"/> GC	Doc Storage info: 2014-00120: 0000006414
Languages:	Same as Anti-Corruption Policy – Global 100.102	
Revision History/Date Completed:	6: changed language reference to Policy 5: updated format 4: "foreign" to "public" and moved investigation right from recommended terms 3: revision with pilot 2: translations added New	2015-Jun-17 2015-Jun-01 2014-Dec-31 2014-Sept-19 2012 2011-Aug