

**MUTUAL CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**

THIS AGREEMENT, dated this 6<sup>th</sup> day of February 2013, is between Rexnord Industries, LLC, a Delaware limited liability company with its principal place of business at 4701 W. Greenfield Avenue, Milwaukee, Wisconsin 53214 ("Rexnord"), and the University of Puerto Rico-Mayagüez, a University with its principal place of business at P. O. Box 9000, Mayagüez, PR 00681 ("Company").

WHEREAS, both Rexnord and Company wish to explore areas of mutual interest and benefit in connection with a potential business relationship, and certain Confidential Information (as defined below) may be transmitted from one party to another for review and evaluation;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the parties agree as follows:

**1. Definitions.**

A. "Confidential Information" means any data or information, whether disclosed in oral, written, graphic or machine-readable form that is (a) competitively or business sensitive material, and not generally known to the public, including but not limited to products, marketing and sales plans and estimates, finance, operations, prices, customer relationships or product and business performance results; or (b) any scientific or technical information, design, process, procedure, formula, object code, source code, invention, know how or improvement that is commercially valuable and secret, including but not limited to trade secrets; or (c) confidential or proprietary ideas, concepts, documents, reports, data, specifications, computer software, charts and databases; or (d) drafts of agreements between the parties and discussions involving the parties' potential business relationship. Confidential Information shall not include information which:

- (i) is in the possession or control of the Receiving Party at the time of its disclosure by the Disclosing Party; or
- (ii) is, or becomes, publicly known through no wrongful act of the Receiving Party; or
- (iii) is received by the Receiving Party from a third party free to disclose it without obligation to the Disclosing Party; or
- (iv) is independently developed by the Receiving Party without access to or use of the Disclosing Party's Confidential Information; or
- (v) is released by Disclosing Party to any third-party without restriction.

B. "Disclosing Party" means a party to this Agreement that discloses Confidential Information to another party.

C. "Recipient" or "Receiving Party" means a party to this Agreement to whom Confidential Information is disclosed by another party.

**2. Treatment of Information.** Disclosing Party shall use reasonable efforts to mark Confidential Information disclosed in tangible form as "Confidential" or "Proprietary" and to reduce to writing within 30 days all Confidential Information that is disclosed orally; provided, however, that a failure to do so shall not affect the status of such information as Confidential Information under this Agreement. A Recipient shall keep all Confidential Information strictly confidential and shall protect such Confidential Information from disclosure using the same degree of care used to protect its own Confidential Information, but in any case using no less than a reasonable degree of care. A Recipient may disclose Confidential Information to its affiliates who agree, in writing, to be bound by this Agreement, and to its employees and contractors who have a need to know for the purpose of this Agreement, and who are bound in writing to protect the Confidential Information from unauthorized use and disclosure. A Recipient agrees to advise any such authorized recipients of Confidential Information of the terms of this Agreement and its obligations under this Agreement. All obligations with respect to the Confidential Information shall survive the termination of this Agreement.

**3. Use of Confidential Information.** A Recipient shall use Confidential Information of the Disclosing Party solely for the purpose of evaluating a potential business relationship with the Disclosing Party. A Recipient shall not use Confidential Information of the Disclosing Party for purposes of competing with the Disclosing Party. Each party acknowledges and agrees that the other party may be a competitor and that nothing in this Agreement shall prohibit or restrict either party from competing with the other party in any manner, as long as the Confidential Information of the other party is not used for such purpose.

**4. Disclosure Required by Law.** Notwithstanding any provision of this Agreement to the contrary, if a Recipient is requested or required in a judicial, administrative or governmental proceeding or is otherwise required by law to disclose any Confidential Information, the Recipient will immediately provide the Disclosing Party with

written notice so that the Disclosing Party may seek an appropriate protective order or waive the Recipient's compliance with the applicable provisions of this Agreement.

5. **Ownership of Information.** Each party covenants and agrees that all right, title and interest in any Confidential Information is and shall remain the exclusive property of the Disclosing Party.

6. **Return or Destruction of Confidential Information.** Upon the Disclosing Party's request, Recipient agrees to return to the Disclosing Party all Confidential Information in tangible form or, with Disclosing Parties consent, promptly destroy all Confidential Information and to certify in writing to the Disclosing Party its compliance with this provision within ten (10) days of the Disclosing Party's request to do so. Recipient agrees not to retain any copies, summaries, extracts or other reproductions of Confidential Information in whole or in part.

7. **Breach of Agreement.** Recipient agrees that the Disclosing Party may be irreparably harmed and have no adequate remedy at law for any breach of this Agreement by Recipient. Therefore, the Disclosing Party shall be entitled to seek injunctive or other equitable relief for any breach or threatened breach of this Agreement. Should Disclosing Party prevail in obtaining legal relief, Recipient shall indemnify the Disclosing Party for reasonable costs and expenses, including, but not limited, to court costs and reasonable attorneys' fees that the Disclosing Party incurred pursuant to the enforcement of this Agreement.

8. **No Warranty.** There are no warranties, express or implied, made by this Agreement.

9. **Nature of Agreement.** Each party acknowledges and agrees that no legal obligations by the other party exists with respect to any transaction by virtue of this Agreement and no contract or agreement providing for a transaction with the other party shall exist unless and until a written agreement for such transaction(s) has been executed by the parties.

10. **No License or Other Rights.** It is understood and agreed that neither party grants to the other party any license or other rights of any kind (except the right to use the Confidential Information as contemplated by this Agreement) in connection with the Confidential Information.

11. **Reasonableness of Restrictions.** EACH PARTY HAS CAREFULLY READ AND CONSIDERED THE PROVISIONS HEREIN AND AGREES THAT THE RESTRICTIONS SET FORTH ARE FAIR AND REASONABLE AND ARE REASONABLY REQUIRED FOR THE PROTECTION OF THE INTERESTS OF THE PARTIES AND THEIR BUSINESS, OFFICERS, DIRECTORS AND EMPLOYEES.

12. **Duration of this Agreement.** This Agreement shall become effective upon execution and shall apply to all Confidential Information exchanged between the parties for a period of two (2) years commencing with the date of execution, or as long as the parties remain in a contractual relationship, whichever is longer. The confidentiality obligations set forth herein shall survive termination of this Agreement.

13. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all other communications, written or oral. This Agreement may not be released, discharged or modified in any manner except in a writing signed by both parties.

14. **Export of Technical Data.** The Confidential Information being disclosed herein may be subject to the rules and regulations of the Directorate Defense Trade Controls, U.S. Department of State, and may not be exported without a valid license or exemption therein. Prior to the export of any technical information, Company agrees that it will contact Rexnord and inquire as to the control status of the Confidential Information. Receiving Party expressly agrees that it will comply with such regulations in the export of any information received herein.

15. **Governing Law.** This Agreement shall be governed by any and all applicable federal and/or state laws and regulations.

IN WITNESS WHEREOF, Rexnord and Company have duly executed this Agreement as of the date set forth above.

REXNORD INDUSTRIES, LLC

By: Daniel E. Glusick  
Printed Name: DANIEL E. GLUSICK  
Title: VP - REXNORD INNOVATION CENTER

COMPANY

By: Jorge Rivera Santos  
Printed Name: Jorge Rivera Santos  
Title: Chancellor - UPRM

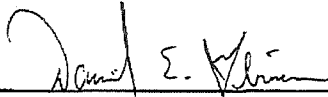
Approved by: Walter F. Silva  
Walter F. Silva  
R&D Center Director

NDA (Mutual) Rev. 050812

**CERTIFICATE OF AUTHORITY**

I, Dan Glusick, the undersigned, do hereby certify that I am the V.P. of the Rexnord Innovation Center at Rexnord Industries, LLC ("Rexnord") and in such capacity and on behalf of the Company I do hereby certify that I am authorized to sign the attached Non-Disclosure and Confidentiality Agreement (the "Agreement") between Rexnord and the University of Puerto-Rico Mayagüez attached hereto as a true, complete and correct copy of the Agreement.

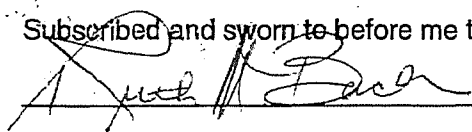
Witness my hand this 16<sup>th</sup> day of January, 2013.

  
\_\_\_\_\_  
Dan Glusick

STATE OF WISCONSIN                    )  
  )     SS.  
COUNTY OF MILWAUKEE )

I do hereby swear Dan Glusick is known to me as the V.P. of the Rexnord Innovation Center for Rexnord Industries, LLC, and that I personally witnessed him affix his signature to this Certificate.

Subscribed and sworn to before me this 16<sup>th</sup> day of January, 2013.

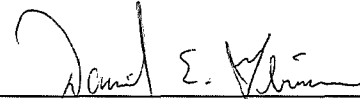
  
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Notary Public, State of Wisconsin  
My Commission Expires: March 6, 2016

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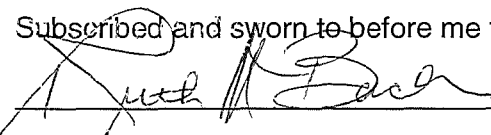
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Dan Glusick

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