REXNORD CORPORATION

COMPENSATION COMMITTEE CHARTER

The Board of Directors (the "Board") of Rexnord Corporation, a Delaware corporation (the "Company"), has adopted this charter (this "Charter") for the Compensation Committee of the Board (the "Committee") on March 28, 2012, to be effective as of the closing of the Company's initial public offering of common stock pursuant the Securities Act of 1933, as amended. This Charter supersedes all prior charters in connection with any previously existing compensation committee of the Company or any of its subsidiaries. This Charter shall be made available on the Company's website at *www.rexnord.com*.

A. Purposes

1. The purposes of the Committee are to:

(a) review and evaluate, and otherwise assist the Board in the discharge of the responsibilities of the Board with respect to, employment and compensation agreements, plans, policies and programs of the Company and its subsidiaries;

(b) assist the Board in the discharge of the Board's responsibilities relating to compensation of the officers and key employees of the Company and its subsidiaries, as well as members of the Board; and

(c) perform such other functions as the Board or the Board of Directors of any subsidiary of the Company may assign to the Committee from time to time.

2. In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with applicable laws and regulations, the Company's Amended and Restated Certificate of Incorporation (as may be amended from time to time, the "Certificate of Incorporation"), and the Company's Amended and Restated By-Laws (as may be amended from time to time, the "By-Laws"). The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion.

B. Composition and Qualifications

1. The Committee shall consist of at least three (3) members, all of whom must be members of the Board. One of the members shall serve as the chairperson of the Committee. The Board shall appoint the members of the Committee. The chairperson of the Committee shall be designated by the Board, or, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee. The Board may remove or replace any member of the Committee at any time by the affirmative vote of a majority of the Board.

2. As long as the Company is, and elects to be treated as, a "controlled company" as defined by Section 303A.00 of the Listed Company Manual of the New York Stock Exchange (the "NYSE"), the members need not satisfy the independence requirements of the NYSE. However, if the Company is no longer, or elects not to be treated as, a controlled company, the Committee members shall satisfy the independence requirements of the NYSE to the extent and within the time periods specified by applicable law and rules.

3. Each member of the Committee shall have experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee. Members of the Committee shall also comply with other applicable requirements, including those of the Securities and Exchange Commission (the "SEC") and the NYSE.

C. Authority and Responsibilities

1. The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. The Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate.

2. Without limiting the generality of the preceding statements, except to the extent explicitly otherwise retained by the Board, the Committee shall have sole authority, and is entrusted with the responsibility, to:

(a) review and approve corporate goals and objectives relevant to the compensation of the Company's chief executive officer (the "CEO");

(b) evaluate the performance of the CEO in light of such goals and objectives; and

(c) determine and approve the CEO's compensation level based on the foregoing evaluation.

3. The Committee shall make recommendations to the Board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to Board approval.

4. The Committee shall establish or recommend to the Board the financial and other performance targets that must be met in connection with annual bonuses and, as applicable, other performance-based compensation plans and arrangements of the Company and its subsidiaries that may be in effect from time to time.

5. The Committee shall review and recommend to the Board, for the CEO and the other officers and key employees of the Company and its subsidiaries:

(a) all material benefits, option or stock award grants and perquisites; and

(b) all material employment agreements, severance arrangements, change-in-control agreements, confidentiality and non-competition agreements.

6. The Committee shall review and recommend to the Board a succession plan for the CEO and development plans for other key corporate positions as shall be deemed necessary from time to time.

7. The Committee shall have the sole authority to retain or obtain the advice of compensation consultants, independent legal counsel or other advisers, as it deems appropriate in connection with the discharge of its duties. The Committee shall be directly responsible for the appointment, retention, termination, compensation and oversight of the work of any such adviser. The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of compensation to any of the advisers employed by the Committee.

8. The Committee shall act as administrator as may be required by the Company's incentive compensation and equity-related plans in which its executive officers may be participants, subject to the Committee's right to delegate some or all of its powers and authority as may be provided in such plans.

9. From time to time the Committee shall review the adequacy of this Charter and recommend any proposed changes to the Board for approval.

10. The Committee shall produce a compensation committee report on executive officer compensation, as required by applicable rules to be included in the Company's proxy statement or annual report on Form 10-K filed with the SEC.

11. The Committee shall set and review the compensation of members of the Board.

12. The Committee shall conduct an annual performance evaluation of the Committee's own performance.

D. Meetings and Procedures

1. *Meetings.* The Committee shall meet at the call of its chairperson or two (2) or more members of the Committee. The chairperson (or in his or her absence, another member selected by the attending members) shall preside at Committee meetings and set the agendas for the meetings. Meetings may, at the discretion of the Committee, include members of the management of the Company or any of its subsidiaries, independent consultants, and such other persons as the Committee or its chairperson may determine, but no such persons are permitted to vote. The Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's By-Laws. The Committee shall meet on a regularly scheduled basis, but at least two (2) times per year and more frequently as the Committee deems necessary or desirable in order to fulfill its responsibilities and complete the activities required by this Charter.

2. *Quorum and Approval.* A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

3. *Rules.* The Committee may determine additional rules and procedures, including designation of a secretary of the Committee or any meeting thereof.

4. *Reports.* The Committee shall make regular reports of its actions and any recommendations to the Board, directly or through the chairperson.

5. *Minutes.* The Committee shall keep minutes of all meetings and of all actions taken by the Committee, file such minutes with the Secretary of the Company and make a copy of such minutes available to the Board.

6. *Fees.* Each member of the Committee shall be paid the fees, if any, set by the Board for his or her services as a member or a chairperson of the Committee.

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