iMECH US/Canada Terms & Conditions of Sale

1. **DEFINITIONS.**

1.1 The following defined terms are used in these Terms and Conditions of Sale: (a) The collective terms and conditions described in (a) and (b) of Section 2.1 are referred to as the "**Agreement**." (b) The products that are the subject of a sale from iMECH to Buyer are referred to as the "**Products.**" (c) The services quoted or sold by iMECH to Buyer are referred to as the "**Services.**" (d) Items of tangible property on which iMECH performs Services or that result from Services, (e.g., a bearing on which iMECH performs repair Services) are referred to as "**Service Items**." (e) Innovative Mechanical Solutions, LLC, I-MECH ULC or other iMECH affiliate in the US or Canada making the sale of Products or Services to Buyer is referred to as "**iMECH**." (f) The purchaser of the Products or Services is referred to as the "**Buyer**."

2. **AGREEMENT.**

2.1 The terms and conditions that apply to and govern the sale of Products and Services by iMECH to Buyer include and are limited exclusively to those contained in or expressly incorporated by (a) as applicable, iMECH's quotation, acknowledgement or invoice, or a separate written sales, pricing, or similar agreement signed by an authorized representative of iMECH, and (b) these Terms and Conditions of Sale, whether or not they are specifically referenced in or incorporated by iMECH's quotation, acknowledgement or invoice or the separate written and signed sales, pricing, or similar agreement. The terms and conditions of the quotation, acknowledgement, invoice or written and signed sales, pricing, or similar agreement are to be read, so far as possible, as being consistent with these Terms and Conditions of Sale, but any irreconcilable conflict is to be resolved in favor of the quotation, acknowledgement, invoice or separate written and signed sales, pricing, or similar agreement.

2.2 iMECH objects to terms and conditions that are additional to or different from those that are a part of the Agreement, and no additional or different term will be part of the Agreement unless expressly made so in a writing signed by an authorized representative of iMECH. The preceding sentence excludes from the Agreement, among other things, (a) terms and conditions appearing on or referenced in Buyer's purchase order or other similar document, other than the specifics of the transaction (e.g., part number, quantity and price) that coincide with iMECH's quotation, acknowledgement, invoice or separate written and signed sales, pricing, or similar agreement, (b) Buyer's standard terms and conditions of purchase, (c) Buyer's quality policy and other supplier policies, and (d) Buyer's web site or supplier e-commerce site, even though it may be necessary for iMECH to click an "accept," "agree," or similar button on an electronic site as a means of accessing information about current or prospective orders or programs of supply.

2.3 No modification of the Agreement or waiver of any of its terms will be binding on iMECH unless the modification or waiver is clearly expressed in writing and signed by an authorized representative of iMECH. The preceding sentence excludes from the Agreement, among other things, purported modifications and waivers by oral agreement, course of performance, and usage of trade.

2.4 All orders, including new orders in the form of increases to existing orders, are subject to iMECH's acceptance. iMECH will not be obligated to fulfill any request for Products or Services that Buyer is not also obligated to purchase. Buyer will be deemed to have accepted the Agreement by (a) assenting to the Agreement in writing, (b) placing an order for Products or Services, (c) accepting delivery or performance of all or any portion of the Products or Services, (d) paying for all or any portion of the Products or Services, or (e) taking any other action evidencing Buyer's acceptance of the benefits of the Agreement.

2.5 If iMECH's work on an order requires material from Buyer or a third party selected by Buyer, and iMECH does not timely receive material that strictly conforms to iMECH's requirements, including with respect to chemical composition, physical properties and dimensions, iMECH may delay performance of or cancel the order without liability, and Buyer shall compensate Seller for all Delay/Cancellation Costs (as defined in Section 9.1), including for costs incurred and time expended working on non-conforming material.

2.6 If the Agreement concerns Products for OE production, (a) the duration of iMECH's obligation to supply is limited to the time specified in a separate writing that is part of the Agreement or, if no time is specified, then for a reasonable time, and (b) iMECH is not required to supply service parts.

2.7 If Buyer is purchasing the Products or Services for a government contract or sub-contract, Buyer shall promptly notify iMECH of that fact and of any contract clauses that Buyer is obligated by law to include in its contracts for acquiring the Products or Services. No government contract clause will be included in the Agreement unless agreed to in a writing signed by an authorized representative of iMECH.

3. **PRICES AND TAXES.**

3.1 No price quotation will remain effective for more than 30 days, unless the quotation expressly provides otherwise.

3.2 Unless otherwise provided in a writing that is a part of the Agreement, the price for Products will be iMECH's catalog price or book price in effect on the Shipment Date. (The "**Shipment Date**" is the date upon which iMECH has completed the applicable order and made the Products available for shipment, regardless of the applicable Incoterms 2020 delivery term.)

3.3 If the Agreement concerns Products for OE production, the price applies only to Products used by Buyer in OE production, and iMECH may charge a different price for the same Products used for service parts, spares, and the like.

3.4 The price does not include taxes, duties, fees, assessments or other charges imposed by any governmental authority on the manufacture, sale, purchase, transportation, export or import of the Products or performance of the Services, all of which will be the responsibility of and paid by Buyer or, if required to be paid by iMECH, then reimbursed to iMECH by Buyer.

3.5 The price is based on iMECH's standard packaging for domestic U.S. shipments. Additional charges will apply for packaging for export shipments and for other special shipping or packaging requirements requested by Buyer. Buyer is responsible for the costs of purchasing reusable packaging and for the logistics and transportation costs associated with the return of reusable packaging.

3.6 Prices are based on and assume Buyer's compliance with all of the terms and conditions of the Agreement, including, if applicable, a promise by Buyer to purchase a particular mix of Products or Services, a certain quantity of Products or Services, or a certain percentage of Buyer's requirements for the Products and Services. The price for Services is based on and assumes the accuracy of all representations (formal and informal) made by Buyer concerning the circumstances and conditions in which and the material on which the Services will be performed. iMECH may adjust prices if any of the forgoing assumptions proves incorrect.

3.7 iMECH may pass through to Buyer, and Buyer shall accept, any price increase imposed by a supplier or sub-vendor that Buyer requires iMECH to use. Except to the extent Buyer and iMECH have otherwise explicitly agreed in a separate signed writing, iMECH may at any time adjust prices based on or apply a surcharge reflecting changes to energy costs, material costs, labor costs and exchange rates.

4. **PAYMENT.**

4.1 Payments are due net 30 days from the date of the invoice and must be made in the quoted currency or, if that is not determinable, then the local currency of the applicable iMECH billing center. Buyer shall pay iMECH's invoices without discount, setoff or reduction for any reason, including asserted claims of non-performance by iMECH.

4.2 iMECH may modify the payment terms in response to iMECH's reasonable doubts as to Buyer's creditworthiness, evidence of which could include a default under any of Buyer's major financing agreements, Buyer's inability to obtain financing, and a reduction in Buyer's credit rating by a major rating agency. The changes iMECH may make include shortening the payment period or requiring advance payment. iMECH shall notify Buyer in writing of any such changes, and the changes may be made retroactive to include amounts then accrued but unpaid.

4.3 If Buyer fails to make a payment when due or if iMECH reasonably deems itself to be insecure in respect of Buyer's ability to satisfy its payment obligations under the Agreement, iMECH may, in addition to the actions described in Section 4.2, take one or more of the following actions: (a) cancel any outstanding orders, (b) withhold further deliveries of Products and performance of Services, and (c) declare all unpaid amounts for Products previously delivered and Services previously performed immediately due and payable. Buyer shall reimburse iMECH for all costs of collection, including reasonable attorneys' fees, incurred as a result of Buyer's failure to make payments when due. The foregoing remedies are in addition to iMECH's other rights and remedies under the Agreement and under applicable law, including Section 2-609 of the Uniform Commercial Code.

5. **SHIPMENT AND DELIVERY.**

5.1 Indicated or "promised" Delivery Dates, Shipment Dates and Completion Dates are estimates and assume, among other things, timely receipt from Buyer and others of any necessary information, conforming raw materials, and tooling, and of any required advance payment. iMECH's failure to meet an indicated Delivery Date or Completion Date will not constitute a breach of the Agreement. (The "**Delivery Date**" is the date upon which iMECH has satisfied the applicable Incoterms 2020 delivery obligation. The "**Completion Date**" is the date upon which iMECH has substantially completed performing the Services that are subject of an order.) iMECH will be excused from any performance obligation to the extent iMECH's performance is hindered, prevented or delayed by a cause or event beyond its reasonable control, including an act of God, action of governmental authorities (valid or invalid), fire, flood, windstorm, explosion, riot, natural disaster, disease, epidemic, war, sabotage, labor problems (including lockouts, strikes, slowdowns), failure of or inability to obtain power, material, labor, equipment or transportation, and a court or administrative injunction or order. If iMECH's production or delivery is delayed, iMECH may allocate production and delivery among its customers in a manner it deems reasonable.

5.2 The delivery term for Products and Service Items is Ex Works (EXW) the designated iMECH authorized facility (Incoterms 2020). Risk of loss to Products, Service Items and other items shipped by iMECH will transfer upon the Delivery Date. Risk of loss to Products, Service Items and other items returned by Buyer will pass no earlier than iMECH's receipt and will not pass at all if iMECH did not expressly authorize the return.

5.3 Unless otherwise provided in the Agreement, iMECH may select the shipping method and carrier. iMECH will not be liable for, and Buyer shall not assert against iMECH or deduct from amounts owing to iMECH, claims for delay, breakage, loss or damage occurring after iMECH has satisfied its delivery obligations. Buyer shall instead make all claims for any such loss or damage directly to the transportation carrier or insurer, as appropriate.

5.4 Buyer shall, within 10 days following receipt of Products or Service Items, or completion of Services, as applicable, inspect the Products, Services and Service Items and notify Timken in writing of any claim that was or could have been identified from such an inspection, failing which Buyer will be deemed to have waived any such claim.

6. **PROPERTY; FACILITIES.**

6.1 Buyer is to be considered the owner of all tooling, dies and similar items (a) that Buyer owns and places in iMECH's possession for the purpose of manufacturing the Products or providing the Services, or (b) that Buyer pays for as separate items on an order if Buyer and iMECH specifically agree in writing that the tooling, dies or similar items will be owned by Buyer ("**Buyer Tooling**"). Buyer is responsible for paying for any necessary replacements of and repairs to the Buyer Tooling.

6.2 iMECH assumes no obligation or liability with respect to the Buyer Tooling or any other property of Buyer to which iMECH is not taking title, including tangible personal property of Buyer upon which iMECH will be performing Services ("**Buyer Property**") other than to exercise reasonable care. iMECH is not obligated to segregate, label, protect, insure or take any other specific action with respect to managing and safeguarding Buyer Tooling or Buyer Property. Buyer accepts all risk of loss and damage to the Buyer Tooling and Buyer Property, except for loss or damage caused exclusively by iMECH's negligence, and Buyer waives all rights of subrogation for itself and its insurers with respect to any such loss and damage. Buyer hereby grants to iMECH a security interest in the Buyer Tooling and Buyer Property to secure all amounts owed by Buyer to iMECH. Buyer consents to iMECH filing any documentation, including UCC financing statements, useful to perfecting the security interest.

6.3 iMECH is to be considered the owner of all tooling, dies and similar items used by iMECH in connection with the Products and Services, other than the Buyer Tooling ("**iMECH Tooling**"). Buyer acquires no interest in the iMECH Tooling, notwithstanding any charges, amortizations or other costs included in the pricing or otherwise paid by Buyer in relation to the iMECH Tooling.

6.4 iMECH may use the iMECH Tooling without restriction in any of its business operations, including in the manufacture of service parts for the Products and the manufacture of products and provision of services for other customers. iMECH may retain the iMECH Tooling at the conclusion of the commercial relationship between iMECH and Buyer with respect to the affected Products or Services.

6.5 Buyer shall provide suitable space, facilities, equipment and materials for any Services or other work to be performed by iMECH at a location controlled by Buyer. The space, facilities and equipment must be suitable for the safe execution of the Services or other work.

7. **NO WARRANTY.**

7.1 The Products and Services are supplied by iMECH "AS IS" without warranty of any kind. iMECH makes no guarantee, warranty or representation as to quality, kind, character, condition, or description of any Products or Services, and shall have no liability for any claim relating to Products or Services. iMECH DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING WARRANTIES OF DESIGN, PERFORMANCE OR PRODUCT LIFE, WARRANTIES OF COMPLIANCE WITH BUYER'S QUALITY MANUALS, QUALITY POLICIES, INSPECTION PROTOCOLS AND OTHER POLICIES AND REQUIREMENTS, AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7.2 Without limiting the generality of the foregoing, iMECH shall have no liability for any claim relating to Products or Services upon any action inconsistent with the proper use and handling of the Products, Service Items or other results of Services, including (a) improper handling, transportation, storage, adjustment, modification or repair (including any modification, addition, or repair made by anyone other than iMECH), (b) accident, abuse or improper use (including loading beyond the specified maximum, operation above specified rating or rated capacity, or operation at extreme conditions), and (c) improper selection, sizing, alignment, installation, lubrication, tensioning, protection or maintenance.

7.3 Notwithstanding that iMECH supplies the Products and Services "AS IS" without warranty of any kind, iMECH may, in its sole discretion and choice, on a one-time basis: (a) offer Buyer the sole and exclusive remedy of repair or replacement of the Product (EXW the designated iMECH facility) or a credit of a fair amount not to exceed the price paid for the Product, if it is determined by iMECH that the Products were, on the Shipment Date, not free of defects in material and workmanship that would be discovered by following iMECH's standards of manufacture and inspection at the time of manufacture, or that the Products do not conform on the Shipment Date to specifications explicitly identified on the face of iMECH's quotation or acknowledgement, or (b) offer Buyer the sole and exclusive remedy of re-performance of the portions of the Services or issue a credit of a fair amount not to exceed the price paid with respect to the portions of the Services that iMECH determines were not performed in a good and workmanlike manner in accordance with specifications explicitly identified on the face of iMECH's quotation or acknowledgement. In order for iMECH to consider any such claim, the claim must be submitted to iMECH by Buyer in writing within six (6) months following the Shipment Date for Products or Completion Date for Services, as applicable (but no later than six weeks following the first discovery of the issue) together with evidence in support of the claim. If iMECH elects to offer such remedies to Buyer, Buyer shall return to iMECH 100% or, if agreed by iMECH, a lesser but still statistically relevant percentage of the Products or Service Items that are the subject of the claim.

8. **LIMITATION OF LIABILITY.**

8.1 he remedy described in Section 7.3, if elected to be offered by iMECH in its sole discretion and choice in any instance, is Buyer's sole and exclusive remedy for any claim relating to the Products and Services, regardless of the basis of Buyer's claim, whether it is in contract, tort, negligence, strict liability or otherwise, and regardless whether any damages were caused by iMECH's negligence or by any defect in the Products or Services. Without limiting the generality of the preceding sentence, iMECH will not be liable for, and Buyer shall not assert, any of the following: (a) consequential, incidental, indirect, special and punitive damages; (b) the cost of removing and reinstalling Products or Service Items, sending Products or Service Items to iMECH for inspection, and any other work performed on the Products or Service Items; (c) damage to or the cost of making adjustments or repairs to any mechanism, equipment or machinery in which the Products, Service Items or other items that were the subject of Services were installed; (d) loss of profits or revenue, loss of use, line shut-down, cost of capital, and cost of substituted product, facilities or services; and (e) claims of Buyer's customers or other third parties for damages or penalties, whether or not Buyer is legally obligated to pay them. iMECH's maximum liability for all claims and losses relating to the Products and Services shall be the price confirmed by iMECH for the individual Product or Service giving rise to the claim or loss. The foregoing disclaimers and exclusions will apply even if the exclusive remedy described in Section 7.3 fails its essential purpose.

8.2 An action by Buyer to enforce a claim, whether by court action, arbitration or other proceeding, will be barred unless commenced within six (6) months following iMECH's notification to Buyer of iMECH's determination (for example, on the validity of the claim or the availability or scope of the remedy) upon which Buyer's claim is based.

9. **DELAYS, CHANGES AND CANCELLATIONS.**

9.1 "**Delay/Cancellation Costs**" include all labor, materials, overhead, general and administrative costs, restocking charges, surcharges levied on material by outside suppliers, sub-vendor cancellation charges, excess inventory charges, value of storage space, inventory tax charges, banking and finance charges, scrapping and disposal fees, and other harm, costs and charges incurred directly or indirectly by iMECH in connection with a requested delay or cancellation of an order for Products or Services. An "**Order**" includes a purchase order for a specific quantity and a release under a blanket purchase order. When iMECH and Buyer operate on a rolling forecast basis, an "**Order**" includes the quantity of Products or Services scheduled for delivery or performance within the firm order period agreed to between iMECH and Buyer or, if Buyer and iMECH have not agreed to a specific firm order period, then iMECH's published or announced firm order period.

9.2 Buyer is not entitled, without iMECH's prior written consent, which may be withheld or conditioned in iMECH's sole discretion, to delay a delivery of Products or performance of Services for all or any part of an Order. iMECH may treat as a cancellation subject to Section 9.3 any proposed delay greater than 60 days. If iMECH consents to the delay, Buyer shall pay a delay charge in an amount determined in iMECH's sole discretion to reflect all applicable Delay/Cancellation Costs, including, at a minimum, a storage charge, inventory carrying costs, financing costs associated with the finished Products, work in process and raw materials, and costs of inactive labor, from the original request date until the time of delivery or performance.

9.3 Buyer is not entitled, without iMECH's prior written consent, which may be withheld or conditioned in iMECH's sole discretion, to cancel all or any part of an Order. If iMECH consents to the cancellation, Buyer shall pay a cancellation charge in an amount determined in iMECH's sole discretion to reflect all applicable Delay/Cancellation Costs plus a reasonable and equitable profit for iMECH. Upon payment of the cancellation charge, Buyer will be entitled to all un-disposed raw materials, work in process and finished Products, shipped at Buyer's expense.

9.4 If, having awarded a production program to iMECH, Buyer or Buyer's customer delays or cancels the program prior to launch, cancels the program prior to the end of the originally contemplated duration, or resources the program to another supplier of the Products, then, in addition to any amounts owing under Section 9.2 or Section 9.3 and any price increase resulting from the application of Section 9.5, Buyer shall reimburse iMECH for the loss of value of the program to iMECH and iMECH's unrecoverable or increased investment costs, including the costs associated with capital equipment, tooling paid for by iMECH, engineering costs and obsolete material. iMECH may treat as a cancellation any program delay greater than three months.

9.5 Buyer is not entitled, without iMECH's prior written consent, which may be granted or withheld in iMECH's sole discretion, to make any changes to the design, material specifications, quality requirements, approved raw material suppliers or any other aspect of the Products or Services or their manufacture, performance or delivery. If iMECH consents to the change, iMECH may condition its consent on Buyer's agreement to price adjustments and other compensating payments satisfactory to iMECH. In addition to all other remedies available to it under applicable law, iMECH may refuse to comply with any change to which iMECH has not given its prior written consent and, if the Buyer proceeds with the change, may treat the change as a cancellation governed by Section 9.3.

9.6 Unless iMECH has agreed otherwise with Buyer in writing, iMECH may, at any time and without notice to Buyer, substitute or make changes to the design, materials, processes, manufacturing locations, suppliers, or any other aspect of the Products and Services which do not, in the reasonable opinion of iMECH, affect form, fit or function.

10. **RESALE OF PRODUCTS**. Buyer may not resell any Products purchased from iMECH unless Buyer is an authorized distributor of iMECH's products or iMECH has consented in advance in writing to Buyer reselling Products as service parts. iMECH is not obligated to provide any technical or service support for any Products not purchased directly from iMECH or from an authorized iMECH distributor.

11. **TRACEABILITY**. iMECH is under no obligation to provide traceability on Products or Service Items unless expressly agreed in advance in writing by iMECH.

12. **BUSINESS CONDUCT**. Buyer represents and warrants that it has not engaged in and will not engage in any unlawful or unethical conduct (such as making or offering to make any improper or illegal payment or gift to an employee or official of a government, political party or political

candidate, government-owned or controlled company or public international organization) to promote iMECH's products or services or to promote or facilitate the business interests of iMECH.

13. **INTELLECTUAL PROPERTY.** Nothing in the Agreement is to be construed as a grant or assignment of any license or other right to Buyer of any of iMECH's or its affiliates' intellectual property rights, whether patent, trademark, trade secret, copyright or otherwise. All improvements and developments related to the Products or Services arising out of the efforts of iMECH and Buyer will be owned exclusively by iMECH, and Buyer shall reasonably cooperate with iMECH in confirming that result. Buyer shall indemnify, defend and hold iMECH harmless from all loss and liability resulting from or related to claims that design elements for the Products or Services that were provided by Buyer infringe the intellectual property rights of third parties.

14. **CONFIDENTIAL INFORMATION.** With respect to confidential information concerning the Products, the Services and the transactions subject to the Agreement that Buyer comes to know either through disclosure from iMECH or otherwise, Buyer (a) shall not disclose the information to any third party, (b) shall not use the information for any purpose other than evaluation and use of the Products, and (c) acquires no ownership, license or other interest in the information.

15. **INTERNATIONAL TRADE.** Buyer will comply with all applicable trade laws and regulations affecting any Products, Services or Service Items supplied by iMECH, including applicable United States, foreign and local laws and regulations. Buyer agrees and acknowledges that certain Products, Services and Service Items may be subject to export or import control restrictions, as indicated by the export control and harmonized tariff classification on the commercial invoice, if applicable. Buyer is responsible for compliance with applicable export and import control restrictions. Unless otherwise specified by iMECH in writing, Products, Services and Service Items are supplied by iMECH for consumption in the country of purchase only. Export to the Crimea region, Cuba, Iran, Syria, and North Korea (and such other countries or regions that may be designated as sanctioned or embargoed from time to time) may violate U.S. law. Buyer represents and warrants that it is not on any U.S. or other applicable restricted party lists (or owned 50% or more by one or more restricted party) and will not directly or indirectly engage in any transaction involving the Products, Services or Service Items with entities or persons subject to U.S. or other applicable restrictions on transactions. Unless otherwise authorized in advance by iMECH in writing, Buyer shall not use any Products, Services or Service Items in activities involving nuclear, chemical, or biological weapons, or unsafeguarded nuclear materials, and shall not transfer the same to any third party that would use them in such activities.

16. **MISCELLANEOUS.**

16.1 The words "include" and "including" are to be construed as if they were followed by "without limitation," unless the accompanying text or the context clearly requires otherwise.

16.2 No party may assign its rights or obligations under the Agreement without the other party's prior written consent, and any attempt to do so will be ineffective, except that iMECH may, without Buyer's consent, assign and delegate its rights and obligations under the Agreement to one or more affiliates or to a third party in connection with a divestiture of the business with which the Agreement is associated. A corporate reorganization that does not result in a change of control or beneficial ownership with respect to the party's ultimate parent entity is not to be deemed an assignment.

16.3 *If iMECH is a US entity:* The laws of the State of Ohio, U.S.A., govern all matters arising out of the Agreement, excluding choice of laws principles. Both parties consent to the jurisdiction of the state and federal courts having authority over the territory of Stark County, Ohio, for the resolution of any dispute arising under the Agreement or the purchase or use of Products or Services; and that consent is to the exclusive jurisdiction of those courts unless Buyer is from a jurisdiction that does not recognize for enforcement judgments issued by those courts. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement. *If iMECH is a Canada entity:* The laws of the Province of Alberta govern all matters arising out of the Agreement, excluding choice of laws principles. Both parties irrevocably attorn to the non-exclusive jurisdiction of the courts of Alberta sitting in Edmonton for the resolution of any dispute arising under the Agreement or the purchase or use of Products or Services; and that consent is to the exclusive jurisdiction of those courts unless Buyer is from a jurisdiction that does not recognize for enforcement judgments issued by those courts. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement.

16.4 iMECH's rights and remedies set forth in the Agreement are in addition to all legal and equitable rights and remedies available to iMECH.

16.5 The parties confirm that it is their express wish that the Agreement, as well as any other documents relating to the Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté expresse que cette convention, de même que tous les documents s'y rattachant, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en langue anglaise seulement.