TIMKEN

TIMKEN EUROPE
GENERAL TERMS & CONDITIONS OF SALE

1. TERMS AND CONDITIONS OF SALE

All sales of Timken products or services (the "Product(s)") by TIMKEN EUROPE or any of its affiliates and/or subsidiaries registered in Europe, (hereinafter referred as TIMKEN) shall be governed by the terms and conditions set forth herein. ACCEPTANCE BY TIMKEN OF ANY PURCHASE ORDER BY THE CUSTOMER IS LIMITED TO THE TERMS AND CONDITIONS HEREIN, AND ANY TERMS OR CONDITIONS PROPOSED BY THE CUSTOMER WHICH DIFFER FROM, ARE INCONSISTENT WITH OR WHICH ARE IN ADDITION TO THOSE STATED HEREIN, SHALL NOT BE, NOR DEEMED TO BE, ACCEPTED BY TIMKEN. The terms and conditions herein shall apply to the exclusion of any other terms and conditions shown in the purchase orders, confirmations, Customer's web site or e-commerce site, even though it may be necessary for Timken 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, or any other documents received from the Customer other than Product identification and quantity ordered. The terms and conditions herein supersede all prior general terms and conditions of sale of TIMKEN. The partial or total invalidity of individual provisions of these terms and conditions shall not affect the validity of the remaining provisions.

2. QUOTATIONS - ACCEPTANCE OF ORDER

Quotations given by TIMKEN to the Customer are valid for fifteen days from their date of issuance, unless previously withdrawn or otherwise agreed in writing by TIMKEN, and quotations are subject to sufficient Products being available on the date the order is received by TIMKEN. Purchase orders may only be regarded as accepted by TIMKEN upon the sending by TIMKEN of a written order acknowledgement to the Customer. TIMKEN reserves the right to use an alternate source or sources of supply than might be specified in Customer's purchase order, Timken's order acknowledgement or any other document pertaining to a sale of Products, provided that Products of the same quality are supplied from such alternate source or sources.

3. PRICE

Unless otherwise agreed in writing by Timken, the prices charged by TIMKEN for the Products shall be those prices set forth in the TIMKEN price list in effect on the date of shipment of the Products by TIMKEN. Prices set forth in the TIMKEN price lists do not include value added tax, sales and other taxes, customs levies, tariffs, local delivery or other shipping charges (including insurance), the price of packing materials and crates, and surcharges for materials and utilities, all of which shall be charged in addition to the prices set forth in the TIMKEN price list.

4. PAYMENT

4.1 Full payment of the price is due within thirty (30) days from the date of receipt of TIMKEN's invoice unless otherwise agreed in writing by TIMKEN. Amounts not timely paid by the Customer shall bear interest as provided for by law, notwithstanding any other legal action TIMKEN may undertake against the Customer.

4.2 If the Customer does not comply with the terms of payment described above in more than two instances, or if circumstances become known to TIMKEN that, in its reasonable judgment, diminish the Customer's creditworthiness, TIMKEN may, with respect to any purchase order not yet performed, without prejudice to any statutory rights, (a) request advance payment, or (b) request adequate security. If after a reasonable amount of time the Customer has not complied with (a) or (b), TIMKEN may refuse delivery under the purchase order, or claim damages for non-performance.

4.3 The Customer shall be deemed to have paid only if the payment is made directly to TIMKEN. If TIMKEN has several claims against a Customer at the time a payment is received from such Customer, the payment shall have satisfied the oldest claim first, regardless of any other designation by the Customer. As to any particular claim, payment shall first be applied against expenses incurred by TIMKEN in respect to such claim, then against interest charged in respect to such claim, and finally against the claim itself.

4.4 TIMKEN may show additional damages caused by the Customer's default and demand indemnification from the Customer therefore. The Customer shall have a right of set-off or a right to withhold payment only if the Customer's counterclaim (a) has been acknowledged by TIMKEN, or (b) has been confirmed by legal action and can no longer be contested by TIMKEN.

5. IDENTIFICATION

TIMKEN will show the purchase order number, together with appropriate information identifying the shipment, on TIMKEN's invoices, shipping containers or tags, and other accompanying papers.

6. DELIVERY TERMS

6.1 Except as otherwise agreed by TIMKEN in writing, the Products shall be delivered Ex Works (as defined in Incoterms 2020) TIMKEN's plants or warehouses or plants or warehouses of affiliated companies of TIMKEN, or plants or warehouses of suppliers of Timken Europe, as the case may be ("TIMKEN Facility"). The costs for special deliveries requested by the customer (courier, express costs, etc.) shall be borne by the customer.

6.2 Any delivery dates indicated by TIMKEN for the Products are indicative only and TIMKEN shall not in any way be liable for any delays in delivery. TIMKEN shall nevertheless use its reasonable efforts to effect the delivery on the dates it has indicated. Partial deliveries by TIMKEN shall be permitted.

6.3 In the event of interference with or interruption of TIMKEN's business due to any event of force majeure or due to other causes beyond TIMKEN's control, such as, but not limited to, strikes or other labor disputes, fires, floods, nuclear incidents, earthquakes, storms, accidents, disease, epidemic, scarcity of labor, materials or fuel, airport or port congestion or other transportation difficulties, war, acts (including failure to act) of any governmental authorities, acts of public enemies, mobs or rioters, sabotage, or in the event of interference with or interruption of the Customer's business due to any of such causes, deliveries hereunder may be suspended or partially suspended, as the case may be, during the continuance of such interruption.

6.4 If any Product is in limited supply or the availability of the Product is otherwise restricted, TIMKEN shall have the right, in its sole discretion, to allocate its supply of Product to and among Customer and other purchasers of the Product

7. TRANSFER OF RISKS

7.1 The risk of loss or damage to the Products shall pass to the Customer at the Ex Works point specified in Paragraph 6.1.

7.2 Once TIMKEN has informed the Customer that the Products ordered are ready for delivery, they must be claimed immediately by the Customer. If the Products are not claimed immediately, TIMKEN may put the Products in storage at the Customer's expense.

7.3 The risk of loss or damage to the Products shall pass to the Customer no later than at the time the Products are declared ready for delivery even if delivery is delayed due to the Customer's complete or partial default in payment or due to any other reason for which the Customer is responsible.

8. RETENTION OF TITLE

8.1 TITLE TOAND OWNERSHIP IN THE PRODUCTS SHALL ONLY TRANSFER TO THE CUSTOMER AFTER FULL PAYMENT OF THE APPLICABLE INVOICE AND ANY APPLICABLE INTEREST. CONSEQUENTLY, BEFORE SUCH FULL PAYMENT, TIMKEN REMAINS OWNER OF THE PRODUCTS ("RETENTION PRODUCTS"). ALTHOUGH TIMKEN RETAINS TITLE IN THE PRODUCTS SOLD UNTIL FULL PAYMENT OF THE PRICE, THE CUSTOMER SHALL BE EXCLUSIVELY LIABLE FOR ANY LOSS OR DAMAGE OF ANY NATURE WHATSOEVER WHICH MAY BE CAUSED BY OR TO THE PRODUCTS, UPON THE TRANSFER OF RISK AS DEFINED ABOVE IN SECTION 7.

8.2 The Customer shall inform TIMKEN immediately of any attachment to, or any other legal or factual impairment of the Retention Products, or of any security granted to TIMKEN.

8.3 TIMKEN, or any agent designated by TIMKEN, may remove Retention Products from the Customer's premises if the Customer has failed to pay the invoice(s) related to such Retention Products or if TIMKEN has cancelled the purchase order related to such Retention Products pursuant to these terms and conditions. If the removal occurred due to the Customer's default in paying, such removal shall not constitute a cancellation of the underlying purchase order by TIMKEN unless TIMKEN expressly stated this in writing.

8.4 To the extent permitted by applicable law, the following provisions shall apply:

a) If the Retention Products are processed, manufactured or remodeled, TIMKEN shall be a co-owner of the resulting new product. TIMKEN's co-ownership shall be in proportion to the Retention Products' invoice value when compared to the invoice values of the other processed or remodeled products that became part of the new Product.

b) If TIMKEN loses title to a Retention Product under applicable law due to a commingling with other products, the Customer hereby already transfers to TIMKEN the Customer's co-ownership in the resulting new products in proportion to the Retention Products' invoice value when compared to the invoice values of the other products that became part of the new product. The Customer shall hold all such products in safe custody for TIMKEN free of charge.

c) The Customer may resell the Retention Products or the products co-owned by TIMKEN only in the ordinary course of business under customary terms of sale and only as long as the Customer satisfies its financial obligations towards TIMKEN when due. The Customer shall sell the Retention Products only with retention of title. Claims of the Customer which arise from the Customer's sale of the Retention Products are hereby assigned to TIMKEN, and TIMKEN accepts such assignment. Such claims shall serve as security for TIMKEN's claims against the Customers to the same extent as the Retention Products.

d) If the Customer sells the Retention Products jointly with other goods not delivered by TIMKEN, the assignment of the claims shall be only in the amount of the Customer's invoice amount that can be attributed to of the Retention Products. In case of resale of products co-owned by TIMKEN pursuant to paragraph (a) above, claims will be assigned to TIMKEN corresponding to the amount of TIMKEN's co-ownership.

e) If the Customer collects amounts received from the sale of Retention Products in a revolving account relationship between the Customer and its respective customers, the Customer hereby transfers to TIMKEN such portion of the final balance due to the Customer which corresponds to the amounts received in respect to the Customer's sale of TIMKEN's Retention Products.

f) The Customer is authorized to collect amounts due from resales of the Retention Products as long as the Customer meets his payment obligations to TIMKEN. If the Customer (a) is in default with his payments, (b) transfers his business to a third party, (c) has suffered a reduction in his creditworthiness, (d) is in liquidation or insolvency proceedings, or (e) has violated his obligations under this Section, TIMKEN may revoke the authorization to collect such outstanding amounts due at any time.

g) If TIMKEN has revoked the Customer's authority to collect outstanding amounts from his customers, the Customer shall immediately inform his respective customers of his assignment of such claims to TIMKEN and shall provide TIMKEN with all information and files necessary for the collection of the outstanding amounts. In addition, the Customer shall transfer any security received from his respective customers in respect to such claims. In the event that the aggregate value of the collateral securing TIMKEN's claims exceeds 20%, TIMKEN shall at the Customer's request release excess collateral selected by TIMKEN.

9. ACCEPTANCE OF ITEMS; NOTICE OF DEFECTS

9.1 The Customer shall note any claim for short delivery on the carrier's collection note, goods received note or the equivalent thereof, with signature of the collection note, the goods received note or the equivalent thereof constituting acceptance and receipt of the quantities recorded on the said notes and conformity of the delivery with the purchase order.

9.2 The Customer shall be obliged to examine Products delivered immediately upon receipt. In respect to obvious defects, written notice shall be provided to TIMKEN within 8 days of the Customer's receipt of the Products. In respect to concealed defects, written notice shall be provided to TIMKEN immediately after the discovery of such defects. The notice shall specify the order date, invoice and shipment numbers, and shall if possible be sent to TIMKEN with a sample of the defective Products. No Products may be returned by Customer without TIMKEN's prior written authorization

10. LIMITED WARRANTY

10.1 TIMKEN expressly warrants: that (a) TIMKEN has title to the Products provided to the Customer; (b) the Products provided to the Customer conform to the description on the face of the relevant purchase order; and (c) the Products are free of defects in material or workmanship that would be discovered by following TIMKEN's standards of manufacture and inspection at the time the Products were manufactured. This limited warranty shall remain in effect for one year following the invoice date (unless a special warranty period for certain Products applies, as set forth in the Timken Special Warranty Period Schedule which can be found at www.timken.com/TermsandConditionsofSale). The warranty for repaired or replaced Products will be the remaining period of the original warranty.

10.2 This limited warranty shall not be effective unless the Products are properly used, properly mounted and properly lubricated and kept free of all contaminants, and does not cover the replacement of Products damaged as a result of external factors such as, but not limited to, the breakage of components or mechanisms surrounding the Products, insufficient maintenance, overloading, contaminants, incorrect handling or incorrect lubricant, improper selection, sizing, alignment, installation, any modification, addition, or repair made during the applicable warranty period by anyone other than Timken . The above limited warranty is conferred for the benefit of the Customer only, to the exclusion of any other person. This limited warranty shall be void upon resale of the Products to any unauthorized reseller or by an unauthorized reseller. Timken is not obligated to provide any warranty, technical or service support to Customer (or any other person) for any Products once they have been resold through unauthorized sales channels.

This limited warranty does not apply to Products supplied for testing and evaluation ("prototype parts"). Prototype parts are supplied "AS IS" without warranty of any kind. Timken will have no liability for any claims related to prototype parts, and Customer shall indemnify, defend and hold Timken harmless from any such claims. To the extent permitted by applicable law, Timken makes no additional warranty to those persons defined as consumers. Timken disclaim liability under consumer protection laws if a product is resold or repurposed for consumer use. Timken does not warrant that the operation or use by Customer of the Products in its applications will comply with the requirements of any safety code or regulation, or with any environmental or other law or regulation.

10.3 EXCEPT FOR THE EXPRESS LIMITED WARRANTY DESCRIBED ABOVE TIMKEN DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY OTHER KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR STANDARDS OF PERFORMANCE. Without limiting the generality of the preceding sentence, Customer is solely responsible for validating the suitability of Product designs and Product selections for Customer's intended use or application(s). Customer shall indemnify, defend and hold Timken harmless from any claims arising out of or in connection with Customer's selection of a Product that is not suitable for Customer's intended use or application(s).

11. LIMITATION OF LIABILITY

11.1 TIMKEN's sole liability under the exclusive, express and limited warranty set forth in Section 10 above, shall be, at Timken's choice, to repair or replace without charge, Ex Works TIMKEN Facility, any Products which do not comply with the foregoing exclusive, express and limited warranty, or a credit of a fair amount not to exceed the price paid for the nonconforming Product; PROVIDED that any Products or parts for which repair or replacement is requested must be forwarded to TIMKEN, DDP TIMKEN Facility, for physical and metallurgical examination to determine whether they complied with said limited warranty.

REPAIR OR REPLACEMENT WITHOUT CHARGE OR CREDIT OF AN AMOUNT NOT TO EXCEED THE PRICE PAID SHALL BE THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY.

11.2 Under no circumstances shall TIMKEN be liable for any indirect, special, incidental, punitive or consequential damages, including without limitation:

(a) the cost of removing or replacing Products, or of any other work performed on Products;
(b) any damage to, or any of the costs of making adjustments to or repairs upon any mechanisms, equipment or machinery in which the Products were installed;
(c) any other expense, loss or damages claimed to be caused by a defect in the Products; and
(d) loss of goodwill, loss of profits or revenue, line shut-down, cost of capital, third party penalties

whether or not the possibility of such damages has been disclosed to, or could have been reasonably foreseen by TIMKEN.

12 CANCELLATION

12.1 Should the Customer desire to cancel a purchase order, after being so advised TIMKEN shall discuss the matter promptly with the Customer and if possible reach a mutually satisfactory agreement for cancellation. If such an agreement cannot be reached, the Customer shall give TIMKEN a notice of the Customer's desire to proceed with cancellation, such notice to be sent to TIMKEN by registered mail addressed to TIMKEN. TIMKEN shall thereupon submit a statement to the Customer of the amount of Product in any TIMKEN Facility which was completed and ready for shipment, the amount of Product or raw materials in such facility partially completed or purchased for use in the performance of the cancelled purchase order, whether actually in the process of manufacture or not, and the scrap or other value of all finished and unfinished Product and raw materials, all as of the time of receiving said notice from the Customer.

12.2 Within thirty days from the receipt of such statement from Timken Europe, the Customer will notify TIMKEN of the Customer's desired disposition of all completed Products, and will pay TIMKEN as liquidated damages (a) for all Products completed and ready for shipment at the contract price; and (b) for all unfinished Products and raw materials at cost, plus all sales and administrative overhead and profit in proportion to the state of completion of the Products at the time of the termination of the Customer's order, provided, however, that the Customer will be credited with the scrap or other value of all unfinished Products and raw materials and of any finished Products which the Customer directs TIMKEN to retain. Title to and possession of all raw materials and finished and unfinished Products which the Customer directs TIMKEN to retain shall remain with TIMKEN. Any Products delivered to the Customer shall be subject to the remaining provisions of these terms and conditions. Payment by the Customer under this Section 12 shall be made by the Customer in accordance with Section 4.

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

13. INTERNATIONAL TRADE COMPLIANCE

13.1 Customer shall comply with all applicable customs, import control, export control, and sanctions laws, regulations, and orders, such as but not limited to EU export control regulations, and including but not limited to (i) the International Traffic in Arms Regulations ("ITAR," 22 CFR Parts 120-130); (ii) the Export Administration Regulations ("EAR," 15 CFR Parts 730-774); (iii) the Office of Foreign Assets Control's regulations ("OFAC Regulations" 31 CFR 500-598); and (iv) applicable non-US customs, import control, export control, and sanctions laws (including Council Regulation (EU) No 833/2014 and (EC) No 765/2006 as amended), regulations, and orders (collectively, "ITC Laws").

13.2 Customer shall not, and shall not cause Timken to, directly or indirectly, export, re-export, transfer, or otherwise divert any Products supplied by Timken: (i) to any person or entity unless the export, re-export, or transfer is authorized in accordance with all applicable ITC Laws; (ii) to or for use by any party prohibited from receiving such items under applicable ITC laws; and/or (iii) for any end use prohibited under applicable ITC laws. Timken may request end-user certificate from the Customer to verify the final destination and intended use. Customer represents and warrants that it is not (A) organized, incorporated or resident in jurisdictions sanctioned under ITC Laws; (B) on any list of restricted parties under ITC Laws; or (C) owned 50% or more or controlled by parties described in (A) or (B).
13.3 The Customer shall not sell, export or re-export, directly or indirectly, to the Russian Federation and/or the Republic of Belarus or for use in the Russian Federation and/or the Republic of Belarus any goods supplied under or in connection with this agreement that fall under the Council Regulation (EU) No 833/2014 and (EC) No 765/2006 for as long as Regulation (EU) 833/2014 and (EC) No 765/2006 as amended remain in place.
13.4 The Customer shall undertake its best efforts to ensure that the purpose of Section 13.3 is not frustrated by any third parties further down the commercial chain, including by possible resellers.
13.5 The Customer shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of Section 13.3.
13.6 Any violation of Sections 13.3, 13.4 or 13.5 shall constitute a material breach of an essential element of this agreement, and the TIMKEN shall be entitled to seek appropriate remedies, including, but not limited to: (i) termination of this agreement; and a penalty of 10% of the total value of price of the goods exported.
13.7 The Customer shall immediately inform TIMKEN about any problems in applying Sections 13.3, 13.4 or 13.5, including any relevant activities by third parties that could frustrate the purpose of Section 13.3. The Customer shall make available to TIMKEN information concerning compliance with the obligations under Sections 13.3, 13.4 or 13.5 within two weeks of the simple request of such information.

Customer shall indemnify, defend, and hold Timken harmless from and against all loss and liability that Timken incurs in connection with a breach of this Section 13 by the Customer, its affiliates, companies, employees, representatives, or agents, including reasonable attorneys´ and consultants´ fees, administrative fines, or penalties.

14. PRODUCTS DISPLAY

The Customer undertakes not to display the Products in a public place, and in particular not to make any dispatch or delivery to a public or private exhibition of whatsoever kind without the express prior written agreement of TIMKEN.

15. BUSINESS CONDUCT

Customer 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 Timken's products or services or to promote or facilitate the business interests of Timken.

16. INTELLECTUAL PROPERTY

Nothing in this agreement is to be construed as a grant or assignment of any license or other right to Customer of any of Timken'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 Timken and Customer will be owned exclusively by Timken, and Customer shall reasonably cooperate with Timken in confirming that result. Customer shall indemnify and defend Timken from all loss and liability resulting from or related to claims that design elements for the Products that were provided by Customer or trademark or other markings instructed by Customer to be affixed to the Products infringe the intellectual property rights of third parties.

17. CONFIDENTIALITY

With respect to confidential information concerning the Products and the transactions subject to the agreement that the Customer comes to know either through disclosure from TIMKEN or otherwise, the Customer (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.

18. GOVERNING LAW & DISPUTE RESOLUTION

The agreement is governed by and interpreted in accordance with the laws of the Situs, as defined below, without reference to its conflict of laws rules. Both parties consent to the jurisdiction of the courts of the Situs for the resolution of any disputes, controversies or claims arising out or in connection with any agreement between TIMKEN and Customer; that consent will be to the exclusive jurisdiction of such courts, except if Customer is from a jurisdiction that does not recognize judgments issued by such courts for enforcement, in which case TIMKEN may choose to bring suit in other courts. The Situs is defined as the country in which the TIMKEN legal entity making the sale is located. The application of United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.