



Timken Rus Service Company Terms & Conditions of Sale

1. TERMS AND CONDITIONS OF SALE

1.1. All sales of Timken products or services (the "Product(s)") by Timken Rus Service Company shall be governed by the terms and conditions set forth herein. ACCEPTANCE BY TIMKEN RUS SERVICE COMPANY 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 RUS SERVICE COMPANY. The terms and conditions herein shall apply to the exclusion of any other terms and conditions shown in the purchase orders, confirmations 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 Rus Service Company.

2. QUOTATIONS - ACCEPTANCE OF ORDER

2.1. Quotations given by Timken Rus Service Company to the Customer are valid for fifteen days from their date of issuance, unless previously withdrawn or otherwise agreed in writing by Timken Rus Service Company, and quotations are subject to sufficient Products being available on the date the order is received by Timken Rus Service Company. Purchase orders may only be regarded as accepted by Timken Rus Service Company upon the sending by Timken Rus Service Company of a written order acknowledgement to the Customer. Timken Rus Service Company 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

3.1. Unless otherwise agreed in writing by Timken Rus Service Company, the prices charged by Timken Rus Service Company for the Products shall be those prices set forth in the Timken Rus Service Company price list in effect on the date of shipment of the Products by Timken Rus Service Company. Prices set forth in the Timken Rus Service Company price lists do not include value added tax, sales and other taxes, customs levies, 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 Rus Service Company price list.

4. PAYMENT

4.1. Full payment of the price is due within thirty (30) days from the date of receipt of Timken Rus Service Company 's invoice unless otherwise agreed in writing by Timken Rus Service Company. Amounts not timely paid by the Customer shall bear interest as provided for by law, notwithstanding any other legal action Timken Rus Service Company 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 Rus Service Company that, in its reasonable judgment, diminish the Customer's creditworthiness, Timken Rus Service Company 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 Rus Service Company 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 Rus Service Company. If Timken Rus Service Company 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 Rus Service Company in respect to such claim, then against interest charged in respect to such claim, and finally against the claim itself.

4.4. Timken Rus Service Company 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 Rus Service Company, or (b) has been confirmed by legal action and can no longer be contested by Timken Rus Service Company.

5. IDENTIFICATION

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

6. DELIVERY TERMS

6.1. Except as otherwise agreed by Timken Rus Service Company in writing, the Products shall be delivered Ex Works (as defined in Incoterms 2020) Timken Rus Service Company 's plants or warehouses or plants or warehouses of affiliated companies of Timken Rus Service Company , or plants or warehouses of suppliers of Timken Rus Service Company , as the case may be ("Timken Rus Service Company Facility").

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

6.3. Partial deliveries by Timken Rus Service Company shall be permitted.

6.4. In the event of interference with or interruption of Timken Rus Service Company's business due to any event of force majeure or due to other causes beyond Timken Rus Service Company'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.

6.5. In no event shall Timken Rus Service Company be liable for loss of profits or indirect, special or consequential damages. If any Product is in limited supply or the availability of the Product is otherwise restricted, Timken Rus Service Company 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 Rus Service Company 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 Rus Service Company 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 TO AND 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 RUS SERVICE COMPANY REMAINS OWNER OF THE PRODUCTS ("RETENTION PRODUCTS"). ALTHOUGH TIMKEN RUS SERVICE COMPANY 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 Rus Service Company immediately of any attachment to, or any other legal or factual impairment of the Retention Products, or of any security granted to Timken Rus Service Company.

8.3. Timken Rus Service Company, or any agent designated by Timken Rus Service Company, 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 Rus Service Company 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 Rus Service Company unless Timken Rus Service Company expressly stated this in writing.

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

8.4.1. If the Retention Products are processed, manufactured or remodeled, Timken Rus Service Company shall be a co-owner of the resulting new product. Timken Rus Service Company'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.

8.4.2. If Timken Rus Service Company loses title to a Retention Product under applicable law due to a commingling with other products, the Customer hereby already transfers to Timken Rus Service Company 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 Rus Service Company free of charge.

8.4.3. The Customer may resell the Retention Products or the products co-owned by Timken Rus Service Company 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 Rus Service Company 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 Rus Service Company, and Timken Rus Service Company accepts such assignment. Such claims shall serve as security for Timken Rus Service Company's claims against the Customers to the same extent as the Retention Products.

8.4.4. If the Customer sells the Retention Products jointly with other goods not delivered by Timken Rus Service Company, 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 Rus Service Company pursuant to paragraph (a) above, claims will be assigned to Timken Rus Service Company corresponding to the amount of Timken Rus Service Company's co-ownership.

8.4.5. 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 Rus Service Company 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 Rus Service Company's Retention Products.

8.4.6. 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 Rus Service Company. 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 Rus Service Company may revoke the authorization to collect such outstanding amounts due at any time.

8.4.7. If Timken Rus Service Company 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 Rus Service Company and shall provide Timken Rus Service Company 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 Rus Service Company's claims exceeds 20%, Timken Rus Service Company shall at the Customer's request release excess collateral selected by Timken Rus Service Company.

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 Rus Service Company within 8 days of the Customer's receipt of the Products. In respect to concealed defects, written notice shall be provided to Timken Rus Service Company 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 Rus Service Company with a sample of the defective Products.

10. LIMITED WARRANTY

10.1. Timken Rus Service Company expressly warrants: that (a) Timken Rus Service Company 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 Rus Service Company'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 or Services applies, as set forth in the Timken Special Warranty Period Schedule which can be found at www.timken.com/TermsandConditionsofSale.)

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. 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 RUS SERVICE COMPANY 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.

11. LIMITATION OF LIABILITY

11.1. Timken Rus Service Company'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 Rus Service Company 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 Rus Service Company, Ex Works Timken Rus Service Company 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 Rus Service Company be liable for any special, incidental, punitive or consequential damages, including without limitation:

11.2.1. the cost of removing or replacing Products, or of any other work performed on Products;

11.2.2. 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;

11.2.3. any other expense, loss or damages claimed to be caused by a defect in the Products; and

11.2.4. 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 Rus Service Company

11.3. Nothing in these terms and conditions shall be taken to limit or exclude the statutory rights of any United Kingdom Customer dealing as a consumer (a consumer being a person who is acting for purposes which are outside his business), including rights enacted into UK law pursuant to Directive 1999/44/EC or pursuant to the UK Consumer Protection Act 1987.

11.4. The following provisions shall apply to Customers who order Products for delivery in Germany:

11.4.1. If a consumer makes a warranty claim related to a product which is, or consists in part of, a Timken Rus Service Company Product, any Customer of Timken Rus Service Company who pursuant to Sections 437 and 478 para. 2 of the German Civil Code (BGB) claims damages from Timken Rus Service Company based on such consumer claim, shall immediately notify Timken Rus Service Company of the consumer claim and of the Customer's claim to seek damages from Timken Rus Service Company in respect thereto. The Customer shall send the defective Product back to Timken Rus Service Company for physical and metallurgical examination.

11.4.2. The recourse of the Customer pursuant to Sections 437 and 478 para. 2 BGB is limited to amounts not covered by the insurance of the Customer.

12. CANCELLATION

12.1. Should the Customer desire to cancel a purchase order, after being so advised Timken Rus Service Company 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 Rus Service Company a notice of the Customer's desire to proceed with cancellation, such notice to be sent to Timken Rus Service Company by registered mail addressed to Timken Rus Service Company. Timken Rus Service Company shall thereupon submit a statement to the Customer of the amount of Product in any Timken Rus Service Company 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 Rus Service Company, the Customer will notify Timken Rus Service Company of the Customer's desired disposition of all completed Products, and will pay Timken Rus Service Company 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 Rus Service Company to retain. Title to and possession of all raw materials and finished and unfinished Products which the Customer directs Timken Rus Service Company to retain shall remain with Timken Rus Service Company. 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

13.1. Customer shall comply strictly with all applicable U.S. or other government export laws and regulations, including, but not limited to, the Arms Export Control Act and the International Traffic in Arms Regulations, the Export Administration Regulations, and the various economic sanctions laws, regulations and executive orders administered by the Office of Foreign Asset Controls. Customer shall assist Timken in complying and documenting compliance with those laws, regulations and executive orders.

13.2. Customer represents that it is not, and to the best of Customer's knowledge, its customers, its customers' end-users and its agents are not, on the U.S. Government's Denied Parties List, the Unverified List, the Entity List, the Specially Designated Nationals List, or the Debarred List, and are not otherwise subject to any U.S. or other government sanction or restriction that would prohibit the sale or export by Timken of the Products, Services or technology that are the subject of this agreement. When Timken so requests, Customer shall provide all end-user and end-use information of which it is aware or which it could obtain with commercially reasonable efforts.

14. PRODUCTS DISPLAY

14.1. 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 Rus Service Company.

15. BUSINESS CONDUCT

15.1. 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

16.1. 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 or Services that were provided by Customer infringe the intellectual property rights of third parties.

17. GOVERNING LAW

17.1. The terms and conditions set forth herein and the relationship of Timken Rus Service Company and the Customer shall be governed by and construed under the laws of Russian Federation, without regard to conflicts of laws principles. The contractual relation between Timken Rus Service Company and the Customer is not subject to the U.N. Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

18. DISPUTE RESOLUTION

18.1. International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation, shall have exclusive jurisdiction over all disputes, controversies or claims that may arise between Timken Rus Service Company and the Customer.