TIMKEN

TERMS AND CONDITIONS OF PURCHASE

1. Agreement/Acceptance

1.1 As used in these Terms and Conditions of Purchase, (a) "Agreement" means the collective terms and conditions described in Section 1.2, (b) "Timken" means the Timken entity making the purchase as identified on the purchase order or separate written agreement, (c) "Seller" means the seller of the Products or Services, (d) "Products" means the products that are the subject of the purchase by Timken, and (e) "Services" means the services that are the subject of the purchase by Timken.

1.2 The terms and conditions that apply to and govern the purchase of Products and Services by Timken from Seller are exclusively limited to (a) the terms and conditions contained in Timken's purchase order and any subsequent releases and/or a separate written agreement signed by an authorized representative of Timken, together with any documents incorporated in any of the foregoing, such as a statement of work, and (b) these Terms and Conditions of Purchase, whether or not they are specifically referenced in or incorporated by the forms exchanged by Timken and Seller or in the separate written agreement entered into between Timken and Seller. Any conflict between these Terms and Conditions of Purchase and the documents specified in (a) will be resolved in favor of the documents specified in (a).

1.3 Timken objects to terms and conditions that are additional to or different from those contained in 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 Timken. The preceding sentence excludes from the Agreement, among other things, any additional or different terms and conditions of Seller appearing on or referenced in Seller's quotation, acknowledgement, invoice or other similar document, Seller's terms and conditions of sale and Seller's web site or customer e-commerce site.

1.4 Seller will be deemed to have accepted the Agreement if Seller (a) acknowledges Timken's purchase order, assents to the Agreement in writing or clicks an "accept" or similar button on an electronic site, (b) commences work on, delivers or performs any of the Products or Services, (c) accepts any portion of the payment for the Products or Services, or (d) takes any other action evidencing Seller's acceptance of the benefits of any part of the Agreement.

1.5 If the Agreement relates to a prime contract with or a subcontract for the U.S. government, Seller shall comply with the flow down clauses and other provisions set forth in the Government Contracts Supplement (available on the Timken Supplier Network at https://www.timken.com/contact-suppliers/), and any other provision in the prime contract, or subcontract that is required to be flowed down to Seller, each of which forms part of the Agreement.

1.6 No modification of the Agreement or waiver of any of its terms will be binding on Timken unless clearly expressed in writing that both (a) states that it is a modification or waiver of the Agreement, and (b) is signed by an authorized representative of Timken. Any purported modification or waiver by oral agreement, course of performance or usage of trade is invalid and ineffective.

2. Delivery

2.1 Delivery terms are as stated in the Agreement, or, if none are so stated, Delivered Duty Paid (DDP) the designated Timken facility. Delivery terms are governed by Incoterms 2010.

2.2 Seller shall deliver all Products and Services on the dates specified by Timken, and meet all of Timken's required service levels. Time is of the essence for purposes of Seller's delivery of Products and Services to Timken. Timken may reject any Products or Services not delivered on time (whether early or late) and return such Products and Services at Seller's risk and expense. Seller may not withhold delivery for any reason without the prior written consent of Timken.

2.3 Seller shall deliver all Products and Services in the quantities specified by Timken in a purchase order. Forecast quantities are estimates for reference only and do not constitute binding commitments by Timken to purchase. Quantities delivered in excess of ordered quantities may be returned at Seller's risk and expense.

2.4 Risk of loss and damage to the Products remains with Seller until the Products have been delivered to Timken in accordance with the delivery terms. Notwithstanding the preceding sentence, if the Products are received by Timken on consignment, (a) risk of loss and damage to the Products, and responsibility for insuring the Products against loss and damage, remains with Seller until the time at which Timken either resells the Products or uses the Products in production (referred to as the "end of the consignment period"), (b) title to the Products remains with Seller, and Timken has an absolute right to return the Products, up to the end of the consignment period, and
(c) title to the Products passes to Timken at the end of the consignment period.

2.5 If Seller has reason to believe that a delivery of Products or the performance of Services may not be made within the time required by the Agreement, or if an actual delay has occurred, Seller shall promptly send written notice to Timken, stating the cause and expected duration of the delay. During the period of any delay, Seller shall at its sole cost and expense take all steps as are necessary or desirable to mitigate the effects of the delay on Timken and minimize disruption of supply to Timken, including treating Timken no less favorably than any of its other customers if Seller is required to allocate goods or resources among its customers. If there is an anticipated or actual delay, or a threat by Seller to suspend delivery for any reason, Timken may, in addition to all other remedies available to it, take one or a combination of the following actions: (a) direct Seller to ship, at Seller's sole cost and expense, Products using an expedited method of transportation such as express air freight, (b) acquire substitute Products or Services from other sources, in which case Seller shall reimburse Timken for any additional costs and expenses, including incidental costs of cover, and (c) cancel or reduce the quantities under the Agreement. Timken will have no liability to Seller with respect to the cancelled or reduced quantities.

3. Packaging and Shipping

3.1 Seller shall properly pack, mark, ship and route the Products in accordance with the requirements of Timken and the carriers and in accordance with all applicable laws and regulations, or if there are no stated requirements, in accordance with best commercial practices designed to prevent loss or damage due to weather, transportation and other causes.

3.2 With each shipment, Seller shall include packing slips identifying Timken's complete purchase order number, shipment date, an itemized list of contents using the classification identification of the Products required by Timken or the carrier, and such other items as Timken may require. The markings on each package and shipping document must be such that Timken can easily identify the Products. Timken's count or weight will be final and conclusive for any shipment. Seller is responsible for all demurrage charges and other expenses incurred as a result of Seller's failure to promptly send Timken the notice of shipment on the shipping date.

4. Prices and Payment

4.1 Prices for the Products and Services are as set forth in the Agreement. The price as so determined is the sole amount payable by Timken to Seller or any third party for the purchase of the Products or Services, and Seller shall be solely responsible for, among other things, (a) costs of raw materials, supplies or manufacture, (b) duties or similar charges, (c) insurance premiums, (d) salaries or benefits of employees, or (e) handling, packaging, shipping or storage costs. No increases or surcharges to pricing will be effective without Timken's prior written consent.

4.2 The price includes all applicable federal, state, provincial and local taxes other than sales or value added taxes. Seller shall issue invoices for any sales or value added taxes that Seller is required by law to collect from Timken, in a form sufficient to permit Timken to make appropriate deductions for income tax purposes. Seller shall provide Timken with all information and documentation required under local law to enable Timken to recover any sales, value added or similar turnover taxes.

4.3 Seller may not send invoices earlier than the date of receipt at Timken's facility of Products or completion of Services or, in the case of consignment, the end of the consignment period as defined in Section 2.4. All invoices must include Timken's complete purchase order number and have all necessary or required bills of lading and other shipping receipts and documents attached.

4.4 Payment terms in respect of undisputed invoices are as stated in the Agreement, or, if none are so stated, net 60 days. Any payment or discount period will be calculated from the date of receipt by Timken of an accurate and properly prepared invoice (including all required supporting documents).

4.5 In addition to any right of setoff or recoupment provided by law or equity, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates to Timken and its affiliates, and Timken shall have the right to set off against or to recoup from any amounts due to Seller and its affiliates from Timken and its affiliates.

5. Changes

5.1 Timken may require Seller to implement changes to the specifications, design, quantities and delivery schedules of the Products, the description, specifications, amount and scheduling of the Services, and other requirements under the Agreement. Seller shall promptly implement such changes. Seller shall make its claim, if any, for equitable adjustment of the price or delivery schedules resulting from such changes in writing to Timken within 5 business days after receiving Timken's instructions to implement the changes, failing which Seller will be deemed to have waived, and Timken will have no liability for, any such claims. Timken will equitably determine any adjustment in price or delivery schedules resulting from such changes. To assist in Timken's determination of any equitable adjustment in price or delivery schedules, Seller shall, upon Timken's request, promptly provide additional information to Timken, including documentation of changes in Seller's cost of production and the time to implement such changes. Timken and Seller will work to resolve any disagreement over the adjustment, but throughout the resolution process and thereafter, Seller shall continue performing under the Agreement, including the manufacture and delivery of Products, the performance of Services and the prompt implementation of the required changes.

6. Property of Timken

6.1 "Timken Property" includes any tooling, gauging, equipment, patterns, Timken Material or other property that Timken directly or indirectly furnishes to or purchases from Seller, or for which Timken directly or indirectly gives reimbursement to Seller. "Timken Material" means any raw materials, components, supplies or other materials provided by Timken to be used by Seller in manufacturing the Products or performing the Services, and includes any scrap generated from operations on such materials (but excludes material which is the subject of an actual invoiced sale from Timken to Seller and for which Seller has actually paid).

6.2 Timken Property is and will remain the property of Timken, and will be held by Seller on a bailment basis. Seller waives any lien or other rights that Seller might otherwise have with respect to any item of Timken Property, for work performed on or utilizing such property or otherwise.

6.3 While Timken Property is in Seller's possession or control (including while in the possession of Seller's agents and subcontractors), Seller bears the risk of loss, theft, damage and destruction to Timken Property and will be responsible for the cost of repairing or replacing any Timken Property that is lost, stolen, damaged or destroyed. Seller shall maintain insurance sufficient to cover such risks. Without limiting the generality of the foregoing, Seller shall replace, by purchasing from Timken at Timken's then current prices, any Timken Material lost or damaged through spoilage, breakage, defective workmanship of Seller, or any other reason.

6.4 Seller shall use the Timken Property only for the purpose of fulfilling its obligations under the Agreement, and in compliance with Timken's and the manufacturer's instructions. Seller shall not sell or offer to sell to any third party any products made with Timken Property, except with Timken's prior written consent.

6.5 Seller shall regularly inspect the Timken Property and maintain it in good condition, working order and repair, at no additional cost to Timken, and conspicuously mark the Timken Property as being the property of Timken. Seller shall not (a) commingle the Timken Property with the property of Seller or of any third person, (b) move the Timken Property from Seller's facility to which the property was originally delivered, or provide or furnish the Timken Property to any third party, (c) sell, lend, rent, encumber, pledge, lease, transfer or otherwise dispose of the Timken Property, (d) assert or allow any person claiming an interest through Seller to assert any lien (including a mechanics' or suppliers' lien) or claim of ownership in the Timken Property, or (e) regard the Timken Property or allow the Timken Property to be regarded as real property or fixtures.

6.6 Timken may make public filings (including UCC-1 filings) to provide notice of Timken's ownership of the Timken Property, and Seller shall cooperate with Timken in connection with such filings.

6.7 Timken makes no express or implied warranty or representation as to the fitness (generally or for any particular purpose), condition, merchantability, design or operation of any item of Timken Property. Timken will not be liable to Seller for any loss, damage, injury or expense of any kind or nature caused directly or indirectly by the Timken Property or use of the Timken Property.

6.8 Upon Timken's request, Seller shall promptly release or deliver the Timken Property to Timken at no charge to Timken, failing which; Timken may enter Seller's premises upon reasonable notice and take possession of the Timken Property.

7. Quality

7.1 Seller shall promote continuous quality improvement and shall comply with Timken's required quality control standards for the manufacturing, packaging and shipping processes for the Products and the provision of the Services, including the procedures contained in Timken's Supplier Requirements Manual (as amended from time to time), and Seller shall periodically check the Supplier Requirements Manual for changes. The Supplier Requirements Manual forms part of the Agreement and is available electronically at http://tsn.timken.com/TimkenSupplierQualityManual.

7.2 In performing its obligations hereunder, Seller may not, without Timken's written consent, (a) change the method or place of manufacture of any Products or the provision of any Services, (b) substitute material from any other source for Timken Material or alter the physical or chemical properties of Timken Material, except in accordance with applicable Timken specifications, or (c) otherwise change the materials, processes or sub-suppliers used in the manufacture of any Products or the provision of any Services. Any requested change must follow a process to determine acceptability, detailed on Timken Supplier Network (http://tsn.timken.com/sqdpro.asp).

7.3 Seller shall not subcontract its obligations under the Agreement. Any attempted subcontract will be void, unless Timken has given its prior written consent to such subcontract. In any event, Seller shall remain liable for in respect of all subcontracted obligations.

7.4 While performing any Services at Timken's facilities, Seller shall comply with Timken's rules and policies, including any environmental, health and safety rules and policies.

8. Right to Inspect and Audit

8.1 Seller will permit Timken and its representatives, consultants and customers to enter Seller's facilities at reasonable times to inspect the facilities, the Timken Property and Seller's records with respect thereto, and to inspect and test any goods, inventories, work-in-process, materials, machinery, equipment, tooling, fixtures, gauges and other items and processes related to Seller's performance of the Agreement. Seller shall cooperate in any such inspection. No such inspection will constitute acceptance by Timken of any work-in-process or finished goods.

8.2 Seller will permit Timken and its representatives and consultants to enter Seller's facilities at reasonable times to audit and review all relevant books, records, financial statements, relevant time and material data, receipts and other related data, policies and procedures, in order to (a) assess Seller's ongoing ability to perform its obligations under the Agreement, and (b) substantiate any charges and other matters under the Agreement. Seller shall maintain and preserve all such documents for a period of 3 years following final payment under the Agreement, and shall cooperate in any such audit or review.

8.3 Such inspections, audits and reviews will be conducted at Timken's expense, unless Timken discovers material non-compliance by Seller, in which case Seller shall, in addition to fully correcting the non-compliance, reimburse Timken for the costs and expenses incurred in connection with that review and the next.

9. Non-conforming Products and Services

9.1 Timken may, but is not required to, inspect the Products upon arrival, and the Services upon completion.

9.2 If Timken reasonably suspects non-conformance from its inspection of Products prior to acceptance, and if the Products are needed by Timken for urgent production, Seller shall promptly dispatch a rapid inspection team to the location where the Products are stored to inspect the Products to verify the non-conformance, or procure the services of a third party inspection service to perform such inspection to verify the non-conformance, with the cost of such service to be borne by Seller.

9.3 If Timken rejects, on any reasonable basis, any Products or Services as non-conforming, Timken may take one or a combination of the following actions: (a) reduce the quantity of Product and Services ordered under the Agreement by the quantity of non- conforming Products and Services, and have Seller promptly issue a refund or credit to Timken for the purchase price associated with the reduced quantity (or, if Seller does not do so, to debit Seller for the same amount), (b) require Seller to repair, replace or re-perform the non-conforming Products and Services, and (c) accept the non-conforming Products or Services and have Seller promptly reduce the purchase price by or issue a credit or refund in an amount Timken reasonably determines to be the amount by which the value of the non- conforming Products or Services has been diminished (or, if Seller does not do so, to debit Seller for the same amount). Seller shall promptly pay or reimburse Timken for all costs incurred to inspect, sort, test, rework, replace, return, store or dispose of non-conforming Products, or otherwise associated with the discovery of non-conformance (whether initiated by Timken via issuance of an 8D DMR in Timken's Global Quality Tracking System (GQTS) or otherwise).

9.4 Timken will hold non-conforming Products for 48 hours (or a shorter period if reasonable under the circumstances) from Timken's notice of rejection. If Seller does not inform Timken in writing of the manner in which Seller desires that Timken dispose of the non-conforming Products within that time, Timken may dispose of the non-conforming Products in any manner it sees fit without liability to Seller, including arranging for shipment of the non-conforming Products back to Seller at Seller's expense. Seller shall bear all risk of loss and damage to non-conforming Products.

9.5 None of the following will constitute acceptance by Timken of non-conforming Products or Services, limit or impair Timken's right to exercise any of its rights and remedies under the Agreement or applicable law, or relieve Seller of its obligations (including warranty obligations) under the Agreement: (a) Timken's inspection of or failure to inspect the Products or Services, (b) Timken's failure to reject non-conforming Products or Services following receipt, and (c) Timken's payment for or use of the Products or Services.

10. Warranties

10.1 Seller represents and warrants that the Products and their components will (a) conform to the most updated version of drawings provided by or approved by Timken, (b) meet and perform in accordance with Timken specifications and requirements, (c) be of new manufacture and of the highest quality, (d) be free from defects in design, workmanship and material, (e) be of merchantable quality and fit for their intended purposes, and (f) comply with all applicable laws, regulations and standards.

10.2 Seller represents and warrants that the Services will (a) conform to Timken's specifications and requirements, (b) be of the highest quality, and (c) be performed to the highest professional and workmanlike standards and in compliance with all applicable laws, rules, regulations and standards.

10.3 In respect of software that is incorporated in or forms a part of the Products or Services, Seller represents and warrants that such software will not contain any software intentionally designed to impair, disrupt, disable, harm or impede operation.

10.4 Upon a breach of any warranty in the Agreement, Seller shall promptly, at its sole cost and expense, (a) repair or remedy the defect or other failure, replace the affected Products, re-perform the affected Services or, at Timken's option, provide a refund to Timken

for any affected Products and Services, and (b) reimburse and otherwise compensate Timken for all of its direct, indirect, special, incidental, punitive and consequential damages, including recall costs, line shut-down costs and lost or anticipated profits and revenues.

10.5 Seller's representations and warranties and all associated remedies will benefit and be enforceable by Timken's successors, assigns and customers and by the users of the Products or Services.

11. Intellectual Property

11.1 Seller represents and warrants that the Products and Services, and the manufacture, sale, use and provision of the Products and Services do not and will not infringe any trade secrets, patents, trademarks, copyright, design, other intellectual property right or any other right of any third party. Seller further represents and warrants that it has not received any notice from a third party that any of the Products or Services or their manufacture, sale, use or provision anywhere in the world violates or infringes or would violate or infringe the trade secrets or intellectual property or other rights of another. Seller is responsible for the payment of any fees, royalties and other charges necessary to maintain the rights required to fulfill these warranties.

11.2 If a third party enjoins or interferes with Timken's use of any Products or Services, then in addition to Seller's other obligations, Seller shall (a) obtain any licenses necessary to permit Timken to continue to use or receive the Products or Services, or (b) replace or modify the Products or Services as necessary to permit Timken to continue to use or receive the Products or Services.

11.3 Nothing in the Agreement is intended or may be construed as a grant or assignment of any license or other right to Seller of any of Timken's (or any of its affiliates') trade secrets or intellectual property or other rights.

11.4 All deliverables and works of authorship created in the course of performing the Agreement constitute works made for hire and will be the sole and exclusive property of Timken. To the extent that such works do not qualify under applicable law as works made for hire, Seller hereby assigns and agrees to assign to Timken all of its worldwide right and title to, and interest in, any such deliverables and intellectual property rights in such works of authorship. If such assignment is not possible under any applicable law, Seller hereby grants Timken a worldwide, irrevocable, perpetual, royalty-free, transferable, sub-licensable license with respect to such deliverables or works of authorship. Seller further grants Timken a worldwide, irrevocable, perpetual, royalty-free, transferable, sub-licensable license with respect to any intellectual property rights in the deliverables which arose outside the scope of the Agreement but are necessary for Timken to exercise its rights in the deliverables as reasonably contemplated by the Agreement.

11.5 All improvements and developments related to the Products or Services arising out of the efforts of Timken or both Timken and Seller under or in connection with the performance of the Agreement will be owned exclusively by Timken, and Seller shall reasonably cooperate with Timken in confirming that result.

12. Indemnification

12.1 Seller shall indemnify, defend and hold harmless Timken and its affiliates and their respective directors, officers, employees, agents, representatives and customers against all claims, judgments, decrees, liability, damages, losses, costs and expenses (including actual attorneys' and consultants' fees) that arise out of or relate to (a) any act or omission of Seller or its employees, subcontractors, agents or representatives, (b) the performance of any service or work by Seller or its employees, subcontractors, agents or representatives, or through their presence on Timken's or Timken's customers' premises, (c) the use of the property of Timken or Timken's customer, (d) any breach by Seller of its representations, warranties or obligations under this Agreement, (e) any alleged or actual infringement of the trade secrets or intellectual property or other rights of third parties, (f) Seller-furnished equipment, materials, Products or Services, or (g) any product information, operating instructions, safety information or other information or materials relating to the Products which were created by Seller or provided by Seller to Timken or to purchasers or users of the Products. This Section applies to, among other things, claims for injury to or death of persons (including employees of Seller, Timken or third parties) or damage to any property (including property of Seller, Timken or third parties), and regardless of whether claims arise under tort, negligence, contract, warranty, strict liability or any other legal theory.

12.2 Seller intends that its indemnification obligations for claims related to or brought by anyone directly or indirectly employed by Seller or its subcontractors will not be limited by any provision of any workers' compensation act, disability benefits act or other employee benefit act, and Seller hereby waives immunity under such acts to the extent they would bar recovery under or full enforcement of Seller's indemnification obligations. With respect to the State of Ohio, this waiver applies to Section 35 Article II of the Ohio Constitution and Ohio Revised Code Sec. 4123.74.

13. Insurance

13.1 Seller shall carry the following insurance at its own cost, with no less than the limits indicated (unless otherwise specified by Timken in writing), to cover all of Seller operations: (a) workers compensation insurance for all its employees and sub-contracted employees to the full extent required by law; (b) primary comprehensive general liability insurance including products and completed operations coverage to a combined single limit of US$1,000,000.00 for bodily injury and property damage claims arising out of any one occurrence; (c) primary commercial automobile liability insurance to a combined single limit of US$1,000,000.00 for bodily injury and property damage claims arising out of any one accident; (d) umbrella or excess liability insurance to a combined single limit of at least US$2,000,000.00 in the aggregate in excess of the primary comprehensive general liability and primary commercial automobile liability insurance coverage indicated above; (e) for providers of consulting and engineering services - errors and omissions insurance to a combined single limit of US$1,000,000.00; and (f) any other insurance required by law, reasonably requested by Timken or customary for a supplier in Seller's position. The insurance coverage required by this Section must be with insurance carriers with an A.M. Best rating of A or better. The policies must name Timken as an additional named insured. Upon Timken's request, Seller shall furnish certificates of insurance issued by Seller's insurance carriers evidencing compliance with these requirements, specifying the types of coverage, the policy numbers and the expiration dates, and including a statement that the policies will not be cancelled or altered without Timken receiving at least 30 days' prior notice. In addition, Seller shall exhibit to Timken satisfactory proof of full compliance by Seller with all the terms of the applicable workers' compensation law, including payment of all premiums, as it affects Seller's employees, prior to commencing any work hereunder. If Seller does not maintain the required insurance, Timken may, at its option, procure the insurance for Seller and charge Seller for the costs. Seller shall also ensure that any permitted assignee or subcontractor maintains insurance in the same manner as required for Seller. The furnishing of certificates of insurance and purchase of insurance do not limit or release Seller from Seller's obligations and liabilities under the Agreement.

14. Confidentiality

14.1 "Confidential Information" means the confidential information of Timken and its affiliates concerning the Agreement, the

Products, the Services or the business of Timken and its affiliates, that Seller comes to know through disclosure by Timken or otherwise. Confidential information includes data, designs, drawings, specifications, know-how, trade secrets, the terms of any purchase order and other confidential technical or business information.

14.2 Seller (a) shall not disclose Confidential Information to any third party, except to those of its employees who have a need to know in order for Seller to fulfill its obligations under the Agreement and who have undertaken obligations of confidentiality and non-use no less protective than those binding on Seller under the Agreement, (b) shall protect the Confidential Information by using the same degree of care that it uses to protect its own confidential information of a similar nature (but not less than reasonable care), (c) shall not use the Confidential Information for any purpose other than to fulfill its obligations under this Agreement, and (d) shall return or destroy and certify destruction of all Confidential Information at Timken's request.

14.3 If any work is subcontracted in accordance with the Agreement, Seller shall require a similar confidentiality agreement from such subcontractors, but shall remain responsible for any breach by such subcontractors.

15. Termination for Cause by Timken

15.1 Timken may terminate, in whole or in part, the Agreement or any purchase order issued under the Agreement, without liability to Seller, by notifying Seller in writing upon any of the following events: (a) Seller repudiates, breaches or threatens to breach any of the terms of the Agreement, (b) Seller sells or offers to sell a material portion of its assets, (c) there is a change in the control of Seller, (d) Seller becomes the subject of statutory or court-supervised proceedings in bankruptcy, receivership, liquidation, dissolution, reorganization or other similar proceedings, or (e) Seller has all or a substantial portion of its assets made subject to attachment by creditors or confiscation by government authorities. Seller shall reimburse Timken for all costs and damages incurred by Timken in connection with any of the foregoing whether or not the Agreement is terminated, as well as in connection with any termination, including all attorneys' fees.

15.2 In the event of a termination pursuant to Section 15.1, Seller shall permit Timken, at Timken's option, to take possession of and title to all or part of Seller's tooling, jigs, dies, gauges, molds, patterns and other equipment that are specially designed or outfitted for the supply of the Products or Services. If Timken exercises such option, Timken shall, within 45 days following delivery of such equipment to Timken, pay to Seller the lower of (i) the net book value (i.e. actual cost less amortization) or (ii) the then current fair market value of such equipment.

16. Termination for Cause by Seller

16.1 Seller shall not terminate the Agreement unless Timken is in material breach of the Agreement, Seller has notified Timken in writing of such breach and Timken has not cured such breach within a reasonable time (but in any event not less than 60 days) after receiving such written notification.

17. Other Termination

17.1 Timken may terminate, in whole or in part, the Agreement or any purchase order issued under the Agreement, at any time for its convenience, by notifying Seller in writing. If Timken terminates pursuant to this Section, Timken's sole obligation will be to reimburse Seller for (a) those Products or Services actually shipped or performed and accepted by Timken up to the date of termination, and (b) actual costs incurred by Seller up to the date of termination for unfinished goods which are useable, in merchantable condition and specifically manufactured for Timken and not standard products of Seller. Timken will reimburse the costs in (b) only to the extent such costs are reasonable and properly allocable to the terminated portion of the Agreement, and after first subtracting the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Timken's written consent. Timken's obligation to reimburse Seller under this Section will not exceed the purchase price in respect of the order (or portion thereof) terminated. All claims by Seller for reimbursement under this Section must be submitted in writing to Timken within 30 days following the order termination date, with sufficient supporting data to permit an audit by Timken. Failure to file a claim within such 30 day period will constitute a waiver by Seller of all claims. Seller shall thereafter promptly furnish any supplemental and supporting information Timken requests.

17.2 Timken will not be liable for, and Seller agrees not to assert that Timken is liable for, any of the following: (a) consequential, incidental, indirect, special and punitive damages; (b) recall costs, line shut-down costs, lost or anticipated profits or revenue or cost of capital; (c) finished Products, work-in-process or materials which Seller fabricates or procures in amounts that exceed those authorized by Timken in purchase orders or releases (but excluding forecast quantities); (d) goods or materials that are in Seller's standard stock or that are readily marketable; (e) claims of Seller's suppliers or other third parties for damages or penalties, and (f) all other losses, damages, liabilities, costs and expenses not expressly set forth in Section 17.1.

17.3 Timken may terminate, in whole or in part, the Agreement or any purchase order issued under the Agreement, by notifying Seller in writing, if it is affected by customer delays, cancellations or other events beyond its reasonable control. Such termination will be without liability or obligation to Timken, including any obligation to reimburse Seller for any materials or work-in-process.

18. Compliance with Laws

18.1 In the performance of its obligations hereunder, Seller shall comply with all applicable laws, statutes, regulations and ordinances, including the Foreign Corrupt Practices Act and the Fair Labor Standards Act. All applicable contract clauses required by any applicable law, statute, regulation or ordinance (including those set forth in 41 C.F.R. Parts 60-1.4(a) (women and minorities), 60-250.5(a) (covered veterans) and 60-741.5(a) (individuals with disabilities)) are incorporated herein by reference and made a part hereof.

18.2 At Timken's request, Seller shall promptly furnish information relating to the hazardous, toxic or other content or nature of the Products or Services. Prior to, and together with, the shipment of Products, Seller shall furnish to Timken and all carriers sufficient written warning and notice (including appropriate labels on the Products and packaging) of any hazardous material that is an ingredient or a part of any of the Products, together with all special handling instructions, safety measures and precautions necessary to comply with the law or to prevent bodily injury or property damage.

18.3 Where required by Timken or by applicable laws or regulations, Seller shall furnish Material Safety Data Sheets (MSDS) on the materials used in manufacturing the Products or the provision of the Services. MSDS are to be sent to the plant environmental/safety coordinator at the Timken facility to which the Products or Services are delivered.

19. International Trade and Customs

19.1 Seller shall comply with all applicable export control laws and regulations, including the Export Administration Regulations. Seller shall not export or re-export any items or technical data furnished by Timken, except with Timken's prior written consent.

19.2 Timken owns all transferable credits or benefits associated with or arising from the Products, including trade credits, export credits and rights to the refund of duties, taxes and fees.

19.3 Except with prior written permission from Timken's Global Trade Department ("GTD"), Seller shall not (a) file, or cause or permit any third party to file, for duty drawback with customs authorities in respect of the Products or any component thereof, or (b) show, or cause or permit any third party to show, Timken's name as "importer of record" on any customs declaration.

19.4 Seller shall provide Timken, in a timely manner, with accurate information, records and documentation relating to the Products, which Timken believes is necessary or desirable to fulfill customs and trade related obligations. This includes import compliance, export compliance, trade preference programs and similar obligations. Seller agrees it will comply with the obligations set out in (i) Trade Data and Customs Requirements for Suppliers and (ii) U.S. Importer Security Filing (10+2), both available at http://tsn.timken.com/supplierinfo.asp.

19.5 To the extent the Products are to be imported into the U.S, Seller shall comply with all applicable recommendations or requirements of the U.S. Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism ("C-TPAT") initiative. Where Seller does not exercise control of the manufacturing or transportation of the Products destined for delivery to Timken or its customers in the U.S, Seller shall make C-TPAT security recommendations to its suppliers and transportation providers and condition its relationship with those entities on their implementation of such recommendations. To the extent Products are imported to Timken locations outside of the US, Seller shall comply with recommendations or requirements for supply chain security based on the individual countries security programs (i.e. AEO, NEEC, Golden List, STP, etc.).

19.6 No later than the time of delivery, Seller shall provide Timken with the applicable Export Control Classification Numbers ("ECCNs") of the Products and their components and the Services.

20. Seller Code of Conduct

20.1 Seller shall comply with Timken's Supplier Code of Conduct (as amended from time to time), and Seller shall periodically check the Supplier Code of Conduct for changes. The Supplier Code of Conduct forms part of the Agreement and is available electronically at https://www.timken.com/contact-suppliers/.

20.2 Timken further expects Seller to adopt a code of ethical business conduct suitable to its business, and conform to such code. The code should establish that Seller shall comply with all pertinent laws and regulations, and should address Seller's policies regarding workplace health and safety, labor standards, protection of the environment and resources, product safety and quality and anti-corruption.

21. Conflict Minerals

21.1 Seller shall comply, if applicable, with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and its implementing regulations. The Act and its implementation regulations relate to disclosure of the use of tin, tantalum, tungsten and gold (or such other "conflict minerals" as designated by the Act and its implementing regulations from time to time) ("Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("Conflict Region"). Seller shall have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Products it provides to Timken; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the Conflict Region directly or indirectly finance the conflict in the Conflict Region, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Seller shall timely provide to Timken, on an annual basis or more frequently if requested by Timken, disclosures regarding the use of Conflict Minerals in any Products provided by Seller to Timken, in the form reasonably requested by Timken, and shall provide such additional related information and documentation as Timken may reasonably request. Seller shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

22. Data Protection

22.1 For Purposes of this Section 22: (a) "Data Protection Laws" means all applicable laws that govern the use of data relating to identified or identifiable individuals, including the Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003, as amended or replaced from time to time, and the General Data Protection Regulation (EU) 2016/679 (and any implementing laws) to the extent that it is applicable to a party; (b) "Personal Data" has the meaning given in the Data Protection Laws; (c) "European Economic Area" consists of the European Union and also Iceland, Liechtenstein and Norway; and (d) the terms "Controller", "Processor", and "Data Subject" shall have the meanings given to them in Data Protection Laws.

22.2 This Section 22 applies when Seller receives from or on behalf of Timken, as part of the Services or otherwise, Personal Data for which Timken is responsible as a Controller, and in those circumstances Seller is deemed to be acting on behalf of Timken in the capacity of a Processor. The nature and purposes of the processing to be undertaken, the types of personal data, the categories of data subjects involved, and the duration of the processing should be set out in the purchase order or in a separate writing signed by an authorized representative of Timken; or, in the absence of such document, those required for the performance of the contract or naturally required for the development of the commercial relationship between the parties within the limits set by the Data Protection Laws. The Seller shall comply with Seller's obligations under Data Protection Laws at all times when processing Personal Data and shall not, by any act or omission, cause Timken to be in breach of any Data Protection Laws.

22.3 Without limiting Seller's general obligations under Section 22.2, Seller shall: (a) process any Personal Data solely for the purpose of performing Seller's obligations to Timken and in accordance with Timken's written instructions, unless otherwise required by law, in which case, Seller shall (to the extent permitted by law) inform the Customer of that legal requirement before carrying out the processing; (b) take all appropriate technical and organizational measures to ensure a level of security for the Personal Data appropriate to the risks to individuals that may result from the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to the Personal Data; (c) ensure that all persons authorized to process the Personal Data shall be under obligations of confidentiality; (d) not transfer any Personal Data to, or allow access to it from, outside the European Economic Area except: (i) upon Timken's prior written consent; (ii) subject to the implementation of all appropriate technical and organizational measures; and (iii) if the transfer is to, or access is from, a state that the EU has not determined to provide an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data, then only upon implementation of such measures and the conclusion of all necessary documents as are required to enable the Customer to comply with Data Protection Laws in relation to such transfer; (e) not engage a sub-processor or authorize any other third party (other than the Seller's own staff, which staff will be appropriately trained in the handling of Personal Data) to process the Personal Data unless: (i) it has obtained prior written consent from Timken; and (ii) the proposed sub-

processor has entered into a contract with the Seller that imposes obligations on the sub-processor equivalent to those imposed on the Seller pursuant to this Section 22; (f) remain liable for the acts and omissions of its sub-processors as if they were the Seller's own; (g) provide all necessary assistance and information to enable Timken to fulfil its obligations to respond to any requests from Data Subjects or supervisory authorities in accordance with Data Protection Laws; (h) permit Timken (either itself or through third party auditors appointed by Timken) to audit the Seller's compliance with these terms upon reasonable notice and provide Timken with reasonable access to Seller's documents, premises, records and systems as may be required for the purposes of such audits; (i) promptly notify Timken if: (i) there is a breach or suspected breach of security in relation to any Personal Data; (ii) any Personal Data is or is suspected to be used, disclosed to, or accessed by a third party (excepted as provided for in this Section 22); (iii) any Personal Data is lost, corrupted, destroyed, or otherwise rendered unusable; or (iv) Seller receives a data subject rights request or any other notice in relation to such data; and in each of the foregoing circumstances, deal with the circumstances in accordance with Timken's instructions; and (j) at the choice of Timken, delete or return all Personal Data to Timken after the end of the performing the Agreement obligations, and delete existing copies, unless otherwise required by Data Protection Laws.

23. Other Rights and Remedies

23.1 Seller acknowledges that breach by Seller of the Agreement could cause irreparable harm to Timken for which monetary damages may be difficult to ascertain or may constitute any inadequate remedy. Seller, therefore, agrees that Timken shall be entitled to sue for specific performance or seek injunctive relief for any violation or threatened violation of the Agreement by Seller without the filing or posting of any bond or surety. Timken may seek a temporary and/or permanent injunction (or other similar relief in accordance with applicable law) from any court or other authority having competent jurisdiction, and such courts may apply local laws in determining whether to grant the injunction.

23.2 Timken's rights and remedies set forth in the Agreement are in addition to any other legal or equitable right or remedy available to Timken.

24. Miscellaneous

24.1 The words "such as", "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.

24.2 Seller may not assign its rights or obligations under the Agreement. Any attempted assignment will be void, unless Timken has given its prior written consent to such assignment. Timken may assign its rights under the Agreement to its affiliates, and may assign its rights and delegate its obligations under the Agreement to a third party in connection with the sale of all or part its business.

24.3 If any term of the Agreement is declared unenforceable, the remaining terms will remain in effect, and the unenforceable term will be replaced by a term that is valid and enforceable and that comes closest to expressing the intention of the unenforceable term.

24.4 Any terms which, by their nature, extend beyond the expiration or termination of the Agreement will survive the expiration or termination of the Agreement, including Sections 6, 10, 11, 12, 13, 14 and 19.

24.5 The laws of the State of Ohio, U.S.A. (excluding choice of laws principles) govern all matters arising out of the Agreement,. 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 Seller 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.

24.6 Each party hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury in respect of any litigation arising in connection with the Agreement.

24.7 The Agreement does not create an agency, partnership or other relationship other than that of independent contracting parties. Seller has no authority to bind or commit Timken.

24.8 A reference in this Agreement to the consent or approval of Timken is a reference to the consent or approval of a representative of Timken duly authorized by Timken to give such consent or approval.

24.9 Timken may provide translated versions of the terms and conditions for informational purposes only. The original English language version will apply in the event of any disagreement over the meaning or construction of any provisions.

24.10 Seller shall not in any manner advertise or publish that Seller has contracted to furnish Timken the Products or Services, or use any trademarks or trade names of Timken in Seller's goods, advertising or promotional materials except with Timken's prior written consent.