

TERMS AND CONDITIONS

1. GENERAL ASPECTS

These general terms and conditions shall apply to all purchase orders placed by Lincoln Electric Europe S.L., with registered office in Barcelona, Spain, and the companies directly or indirectly controlled by Lincoln Electric International Holding Company (the relevant Lincoln group entity hereinafter generally referred to as “Lincoln”), unless otherwise agreed in writing between Lincoln and the Supplier, and exclude the application of general conditions of sale of the Supplier. These general terms and conditions shall prevail in any conflict between them and the terms of any offer or acceptance by the Supplier. The present general terms and conditions will be effective until their written amendment accepted by Lincoln and the Supplier.

2. PURCHASE ORDER

Within 8 calendar days from the date of receipt of the purchase order, the Supplier shall notify Lincoln in writing the acknowledgement of the receipt. If the Supplier fails to perform this obligation, Lincoln reserves the right to cancel the purchase order; in addition, if the Supplier starts to execute the purchase order without sending the written acknowledgement of the receipt, then such order shall be deemed as fully agreed. No modifications to the purchase order are admitted except with the written consent of Lincoln. All modifications to the purchase order shall be submitted in writing to Lincoln for its prior approval.

3. PRICES

The applicable prices are set forth in the price list attached to the Agreement..

4. INVOICES

All invoices shall show the names of the Parties, their addresses, the fiscal code and VAT number, the date and the number of the purchase order, the quantity and the description of the supply, the price excluding VAT, the date and the terms of payment. All the invoices shall be sent to Lincoln in duplicate by post and shall not be included in the delivery shipment. A separate invoice shall be submitted for each order. The invoices which do not comply with the foregoing provisions shall not become due for payment and shall be returned to the Supplier.

5. PAYMENT

The payments shall be made within 60 days of the end of month of date of invoice, unless otherwise agreed in writing by the Parties and/or indicated in the purchase order.

6. DELIVERY DATE - DELAY

The supply mentioned in the purchase order shall be delivered in compliance with the provisions of the order, on the date and at the place set out in the order. The supply shall be delivered with all necessary technical documentation and certifications. If the delivery date is not specified in the order, the delivery date shall be the date of effective delivery to the place designated by Lincoln . No advance delivery is admitted unless agreed in writing by Lincoln . If the products are not delivered at the delivery date, Lincoln . is entitled to apply penalties from the date on which the delivery should have taken place. Penalties shall be paid at a rate of 1% of the total value of the purchase order for each week of delay, unless otherwise stated in the purchase order. The Supplier shall pay the penalty at Lincoln ’s first request. The payment of penalties shall not release the Supplier from other indemnification. The acceptance of a delayed delivery of the supply by Lincoln . could not be deemed as a waiver of the penalties towards the Supplier. If the delivery doesn’t take place within one (1) month from the agreed delivery date, Lincoln is entitled to terminate the purchase order pursuant to the article 9 of the present Agreement.

7. WARRANTY

The Supplier shall remedy any workmanship, manufacturing, operating, assembly and any materials defects, occurring within 18 (eighteen) months from the delivery date of the products to Lincoln, which is defined as the date that Lincoln receives the products at the location specified by Lincoln. Non-conformities and defects found in the products shall be notified in writing by Lincoln within the term of 60 (sixty) days from their discovery or, in the case of sale to third parties, from the date of a complaint being received by Lincoln from the client. Unless otherwise agreed, the costs of returning defective products shall be borne by the Supplier. The products repaired or replaced under the warranty will be submitted to the same guarantee for a period of 6 (six) months from the date of repair or replacement. Should any failure to conform to this warranty appear, the Supplier shall correct such defects by appropriate repair or replacement. The aforementioned warranty is only for material failure and not for normal wear and tear. All consumable parts such as plasma electrodes, plasma tips, protection caps and distance springs are not included in warranty.

Lincoln shall be able to carry out all inspections and checks of the delivered products. The Supplier agrees to provide product spare parts for a period of at least 2 years even after a product is no longer sold, or for such minimum period required by law, if longer.

8. LIABILITY

The Supplier shall be liable for any damage suffered by Lincoln arising out or in connection with the performance of the purchase order by the Supplier. The Supplier undertakes to support damages and any costs of damage proceedings caused to Lincoln or a third

party from defective Products or Services. The Supplier undertakes to take out an insurance policy covering all risks associated to the scope of its obligations and to not bring any claims against Lincoln, its employees or its insurers. At Lincoln's request, the Supplier undertakes to provide the appropriate cover documents.

9. SUSPENSION AND TERMINATION

In case of default of the Supplier to fulfil the obligations arising from the purchase order, Lincoln is entitled to suspend the execution of the order at any time by written notice to the other party and without any obligation for compensation.

Lincoln shall be entitled to send to the Supplier, by registered letter, a notice specifying the default and, if the Supplier has not remedied the material breach within the following 30 (thirty) days, Lincoln will have the right to terminate the purchase order without further notice.

In any case Lincoln may terminate with immediate effect the purchase order, by written notice to be sent to the Supplier by registered letter, in the following cases:

- delay of the delivery of more than one (1) month from the date of delivery, as provided for by previous article 6;
- repeated defectiveness of the supplied products, namely the delivery of nonconforming products, as provided for by previous article 7, occurred at least twice also not consecutive;
- breach of intellectual property rights and the obligation of confidentiality, as provided for by article 11 below;
- breach of the prohibition of assignment or subcontracting of the purchase order, as provided for by article 15 below;
- breach by the Supplier of the rules concerning the protection of health and safety in the workplaces and/or concerning the environmental protection;
- change of ownership of the Supplier, as consequence, but not limited to, merger, transfer of the shareholding control or acquisition by companies competitors of Lincoln . or by companies with which Lincoln does not intend to continue the relationship;
- breach of the Code of Corporate Conduct and Ethics, as provided for by article 17 below.

No failure by either party to give notice of any breach by the other party of, or to require compliance with, any condition or provision of these terms and conditions shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. In all cases of suspension or termination under this article, there will be no prejudice to the Supplier's liability as provided for by article 8 and Lincoln will be entitled to compensation for all damages and losses. Lincoln cannot be held liable towards the Supplier for any direct or indirect damages or loss of profits arising out of or in connection with the termination or suspension of Supplier's order.

10. FORCE MAJEURE

Force majeure means an occurrence beyond the control and without the fault or negligence of the party affected and which by exercise of reasonable diligence is unable to prevent or to provide against. The party claiming to be affected by force majeure that shall continue for a period of sixty (60) days or more cannot be held liable for non-performance of its contractual obligations. This party shall notify the other party in writing without delay force majeure circumstances.

11. INTELLECTUAL PROPERTY RIGHTS

All drawings, samples, products and technical documents submitted by Lincoln to the Supplier shall remain property of Lincoln . These products and the documents shall not be used for any other purposes than those indicated in the purchase order. The Supplier shall be liable for any breach to intellectual property rights caused by the delivered products or by the relevant documents. The Supplier shall guarantee Lincoln against any third-party claim arising from the performance of the purchase order. The Supplier agrees to indemnify, defend and hold harmless Lincoln, its officers, employees, affiliated companies and agents from and against any liability, loss, damage, and expenses (including attorneys' fees) they may suffer as the result of any claims, demands, costs or judgments which may be made against Lincoln, its officers, employees, affiliated companies and agents in the event of infringement of the intellectual property rights of any third party (including for the avoidance of doubt any consultants and/or employees of the Supplier) deriving from the products designed and sold by the Supplier.

12. PACKAGING

The Supplier undertakes to deliver the supply properly packed and protected. The Supplier shall be held liable for all damages resulting from unsuitable packaging of the delivered products. The packaging costs are included in the price.

13. TRANSPORT

The means of transport used for products' delivery are stated in the purchase order unless otherwise agreed by the Parties in writing. In the absence of details in the purchase order or contract the INCOTERMS DDP shall apply.

14. OWNERSHIP AND RISKS

The risks are transferred according to INCOTERMS unless otherwise agreed by the Parties in writing. The ownership is transferred to Lincoln upon invoice.

15. SUBCONTRACTING AND ASSIGNMENT

The Supplier shall not subcontract nor assign to third parties the purchase order without prior written agreement of Lincoln

. In case of subcontracting or assignment of the purchase order, the Supplier shall remain liable for the performance of the purchase order.

16. GOVERNING LAW AND SETTLEMENT OF DISPUTES

All the purchase orders are governed by and constructed in accordance with French law. The application of Vienna Convention, dated 11 April 1980, is expressly excluded. Any dispute or claim arising out or in connection with the purchase order, its performance or interpretation will be submitted to the exclusive jurisdiction of the commercial court of Paris (France).

17. CODE OF CORPORATE CONDUCT AND ETHICS

The Supplier declares to know the Lincoln Electric Code of Corporate Conduct and Ethics adopted by Lincoln available on the following website: <https://ir.lincolnelectric.com/corporate-governance/code-corporate-conduct-and-ethics>. The Supplier undertakes to comply with the Lincoln Electric Code of Corporate Conduct and Ethics policies in areas such as respect for the environment, social and ethical commitment (safe working conditions, respect for all people and rejection of any form of discrimination) and anti-corruption. In the fulfilment of its obligations, the Supplier undertakes to comply in particular with the laws and regulations in force regarding anti-corruption laws.

18. RESTRICTIVE MEASURES

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Dual Use: The Supplier undertakes to comply with the regulations of the European Trade Policy and the Dual-Use Export Regulations (http://ec.europa.eu/trade/import-and-export-rules/export-from-eu/dual-use-controls/index_en.htm). **Restricted Parties:** It is forbidden to sell products directly or indirectly to any person located in any country or territory that is the subject of country-wide or territory-wide Sanctions Law, i.e., Iran, Cuba, North Korea, Sudan, Syria and the Crimea region of Ukraine; any person located in or organized under the laws of Iran, Cuba, Syria, North Korea, Sudan and the Crimea region of Ukraine; (iii) a person that is on the list of Specially Designated Nationals and Blocked Persons published by OFAC, or any list of designated persons published by BIS or the United States Department of State, (iv) a person that is on the Consolidated list of persons, groups and entities subject to EU financial sanctions (restrictive measures) (or on the *liste unique de gels* in France), (v) any person that is subject to any sectorial sanctions, whether or not a blocked person or (vi) any person that is the target of any sanctions applicable by the United States, the United Nations Security Council, the European Union (or any of its Member States), the United Kingdom, France or any other relevant authority. **Restrictive Measures:** The Supplier is aware of the fact that it is forbidden to sell products to the Restricted Parties. Any restrictive, European, USA or UN measure regarding export, import or payment (such as, for example, embargoes, blacklists, Restricted Parties), whether foreseeable or not, which involves the Supplier, its personnel, its bank, its commercial and financial intermediaries, automatically suspends the fulfilment of the related purchase obligations, and entitles Lincoln to cancel the purchase order with immediate effect at its sole discretion, without any obligation to give notice and without any liability whatsoever towards the Supplier.

In acceptance

Date and Place

The Supplier

The Supplier expressly declares that he accepts the essential obligations contained in the following articles: art. 6 (Delivery date and penalties for delay), art. 7 (Warranty), art. 8 (Liability) art. 9 (Suspension and termination), art. 11 (Intellectual property rights), art. 14 (Ownership and risks), art. 15 (Subcontracting and assignment), art. 16 (Governing law and settlement of disputes), art. 17 (Code of Corporate Conduct and Ethics) and art. 18 (Restrictive Measures).

In acceptance

Date and Place

The Supplier