

THE LINCOLN ELECTRIC COMPANY
TERMS AND CONDITIONS
RELATING TO THE PURCHASE OF MATERIALS
May 22, 2017

1. Definitions

“BUYER” shall mean The Lincoln Electric Company, “SELLER” shall mean the person or entity named on the face of this purchase order who is providing Goods, “Goods” shall mean hardware, firmware, software and/or services provided by SELLER to BUYER under this purchase order.

2. Acceptance

All purchase orders must be acknowledged by the SELLER in writing within three working days from receipt of the purchase order for price, quantity and delivery date to BUYER. SELLER’s commencement of work on the Goods subject to BUYER’s order, shipment of the Goods, or performance of all or a portion of the services subject to an order, whichever occurs first, shall constitute an acceptance of BUYER’s purchase order and these terms and conditions.

Acceptance of BUYER’s purchase orders is subject to acceptance of the express terms contained therein and herein. Any proposal for additional or different terms, whether in SELLER’s quotation, acknowledgment, invoice or other documents, unless approved in writing by BUYER, shall be deemed material and is hereby objected to and rejected. If SELLER accepts BUYER’s order by the commencement of work, shipment or performance, or by other means, the order shall be deemed accepted by SELLER without any additional or different terms.

3. Inspection

BUYER shall have the right to inspect Goods before shipment, during the process of manufacture (with prior notice during SELLER’s normal business hours) and after delivery to verify that the Goods conform to specified requirements. Such inspection by the BUYER does not absolve the SELLER of the responsibility to provide conforming Goods, nor does it preclude subsequent rejection by BUYER. Goods that are rejected by BUYER shall be returned to SELLER at SELLER’s risk and expense.

4. Quantity

The specific quantity ordered must be delivered in full. Unless otherwise agreed by BUYER and SELLER, any different quantity is subject to BUYER’s rejection and return to Seller at SELLER’s risk and expense. Goods in excess of amount stated on purchase order may, at option of the BUYER: (a) be returned to SELLER, in which event, all expenses and charges, including freight to BUYER, packing, crating and cartage will be charged to SELLER’s account; or, (b) be treated as if purchased under the order at the unit price therein named.

5. Prices

In the event that while this purchase order is in effect SELLER enters into an agreement or purchase order of similar scope with a third party for prices that are less than provided in this purchase order (a “Lower Priced Order”), then SELLER shall notify BUYER of such lower pricing and shall automatically extend such reduced prices to the BUYER, with such lower pricing retroactive to the date the prices in the Lower Priced Order took effect.

6. Delivery

Delivery shall be made to the ship to address in the quantities and on the dates specified in BUYER’s purchase order. If SELLER is unable to make deliveries as specified by BUYER, SELLER shall notify BUYER immediately. In the event of failure to deliver on the date or in the manner agreed upon, the SELLER will ship premium freight at SELLER’s expense. Late deliveries are subject to BUYER’s rejection and return for credit at SELLER’s risk and expense. Early shipments require prior approval from a purchasing agent of Lincoln or it may be subject to shipment refusal. SELLER will be responsible for all charges associated with the early shipment refusal.

The SELLER shall be liable for charges and costs resulting from: (a) shipment by a mode or route other than specified, (b) premium freight costs arising by reason of failure of SELLER to make a promised delivery date, (c) premium freight costs arising by failure of SELLER to make a single shipment, unless authorized in advance by BUYER, and (d) shipment to an erroneous destination. BUYER may deduct any amounts owed by SELLER to BUYER from any outstanding SELLER invoices.

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7. Title

Unless otherwise agreed to in writing by BUYER, title with respect to the Goods hereunder shall not pass to BUYER until delivery of the Goods to BUYER's facility.

8. Risk of Loss

For domestic shipments, risk of loss with respect to the Goods hereunder shall not pass to BUYER until delivery of the Goods to BUYER's facility.

For international shipments, risk of loss or damage with respect to the Goods hereunder shall pass to BUYER as noted in BUYER's purchase order by reference to international commercial terms (Incoterms 2010) as published by the International Chamber of Commerce (ICC).

9. Changes

BUYER reserves the right to make changes in the drawings, specifications and other provisions of this order. If any such change causes an increase or decrease in the cost of, or the time required for, the provision of the Goods, SELLER shall notify BUYER in writing within five (5) days of receipt of such change. Such notice shall include details as to the impact of the change on SELLER's cost and delivery dates. BUYER and SELLER shall negotiate in good faith an equitable adjustment to the purchase price and delivery times under the purchase order. If SELLER fails to notify BUYER in writing within five (5) days, then SELLER shall irrevocably waive any change in price or delivery times under the purchase order.

SELLER shall give BUYER advance written notice of any changes including but not limited to specifications, designs or major changes in manufacture, location, production and processes or procedures related to goods or services provided to BUYER.

10. Cancellation; Termination for Insolvency

BUYER shall have the right to cancel this purchase order in full or in part, without liability to seller, on account of defects in material, workmanship or design, or if not delivered on or within ten (10) working days before the delivery date given on this purchase order or such other mutually agreed upon delivery date; or if the Goods supplied by Seller are not in accordance with the specifications, or drawings, or accepted samples referenced on the face of this order.

BUYER may at any time by written notice cancel this purchase order or any part thereof at its convenience in which event, cancellation charges will be limited to SELLER's actual incurred cost to cancellation date plus reasonable profit. All cancellation claims made by SELLER shall be subject to prior audit and verification by BUYER. In no event shall BUYER be liable for cancellation charges in excess of the contract price for the cancelled Goods. Upon such settlement all materials, special tools and work in process will become the property of the BUYER.

In addition, BUYER may terminate all or any part of this purchase order without liability in the event that (a) SELLER makes an assignment for the benefit of creditors, (b) SELLER ceases doing business as a going concern, (c) SELLER becomes insolvent, (d) a voluntary or involuntary petition for bankruptcy is filed by or against SELLER, or (e) a trustee, receiver or liquidator of SELLER is appointed.

11. Warranty

Unless otherwise agreed by BUYER and SELLER, SELLER warrants for a period of at least twenty-four (24) months from the date of delivery that all Goods supplied to BUYER shall conform to all drawings, specifications, samples and other descriptions, specified or adopted by BUYER, shall be merchantable, free from any defects in material and workmanship, and free of liens, claims and encumbrances. (Exception to 24 month warranty period: In the event that SELLER resells products to BUYER as a wholesale distributor, SELLER agrees to extend full individual manufacturer's warranties to BUYER as of the date of delivery to BUYER). If SELLER knows the particular purpose for which BUYER intends to use the Goods, SELLER warrants that such Goods, including packaging and labeling furnished to BUYER, shall meet the specific purpose. All Goods supplied to BUYER shall comply with all applicable federal, state and local laws and regulations. SELLER shall indemnify and hold BUYER harmless from any breach of these warranties. No limitations on BUYER's remedy contained in any quotation, acknowledgement, invoice or other document, if any, shall operate to reduce or otherwise limit such indemnification. Goods that are not as warranted may be returned to SELLER at SELLER's expense for either

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credit or replacement as BUYER may direct. BUYER may return such defective or nonconforming Goods to SELLER at SELLER's risk, and SELLER shall pay all transportation charges. Any payment by BUYER for such defective or nonconforming Goods shall be refunded by SELLER, except to the extent that SELLER promptly replaces or corrects such defects on nonconformity on a timely basis at SELLER's expense. These warranties shall survive acceptance and payment for the Goods.

12. Patent Indemnity:

SELLER shall indemnify, defend and hold harmless BUYER and its customers from and against all liabilities, damages, claims, losses, costs and expenses (including reasonable attorney's fees and other related costs) which may be incurred by, assessed against or borne by BUYER by reason of any and all actions or proceedings charging infringement of any patent, trademark or copyright by reason of the sale or use of the Goods delivered hereunder, either alone or in conjunction with other items. If the use or sale of any Goods with respect to which SELLER indemnifies BUYER is enjoined as a result of such action or proceeding, SELLER, at no expense to BUYER, shall obtain for BUYER and its customers the right to use and sell said Goods or shall substitute equivalent goods. In the event that SELLER is unable to secure an equivalent item as a substitute, SELLER will indemnify BUYER and its customers for any kind and all losses or damages sustained by reason of such injunction and infringement.

13. Confidentiality

SELLER shall consider and treat all Confidential Information, as defined below, as confidential, and shall not disclose any Confidential Information to third parties, or use any Confidential Information for any purpose other than as required by BUYER's purchase order. BUYER retains all rights with respect to such Confidential Information, and SELLER shall not allow any Confidential Information to be copied or used in connection with goods or services furnished to any third party. The term "Confidential Information" includes all drawings, specifications, designs, engineering instructions, and any other information furnished by BUYER to SELLER. SELLER shall not advertise nor disclose the fact that BUYER has contracted to purchase goods or services from SELLER, nor shall Confidential Information relating to BUYER's purchase order be disclosed without BUYER's written permission. If any Goods have been designed in accordance with specifications or data furnished by BUYER, neither the Goods nor similar goods shall be reproduced by SELLER except with the written consent of BUYER and all specifications, drawings, photographs, data and other material or information supplied in connection therewith shall at all times remain the property of BUYER and shall be treated as Confidential Information by SELLER and shall be returned promptly upon the written request of BUYER. Unless otherwise agreed in writing by BUYER and SELLER, all right, title and interest in or to any inventions, developments, improvements or modifications or other intellectual property (collectively, "Inventions"), the development of which was at the request of, or funded in whole or in part by, the BUYER, shall become the sole property of BUYER. SELLER shall take all such actions as may be requested by the BUYER to perfect BUYER's ownership of such Inventions.

14. Indemnification and Insurance:

SELLER agrees to indemnify, defend and hold harmless BUYER against all liabilities, damages (including consequential and incidental damages), claims, losses, costs and expenses (including reasonable attorney's fees and other related costs) relating to (i) SELLER's breach of the purchase order and/or these terms and conditions and (ii) property damage, death and/or bodily injury arising out of SELLER's performance under a BUYER purchase order which liability, claim, loss or expense is occasioned by SELLER's actions or omissions. SELLER agrees to indemnify, defend and hold harmless BUYER against any claims for bodily injury or property damage resulting from, or alleged to result from, unsafe or defective material, workmanship or design of the Goods.

SELLER shall maintain general liability insurance including coverage in an amount no less than U.S.\$5 Million (U.S.\$5,000,000) per claim, for property damage, bodily injury, and contractual liability. Upon request, SELLER shall furnish to BUYER certificates of insurance evidencing such insurance.

15. No Assignment

SELLER shall not assign BUYER's purchase orders to any third party except that SELLER may with prior written consent from BUYER, make an assignment of moneys due hereunder, to a financial institution subject to BUYER's right of set-off.

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16. Setoff

BUYER shall be entitled to set off any amount owing at any time from SELLER to BUYER against any amount payable by BUYER under this purchase order.

17. Waiver

Either party's failure to insist on performance by the other party of any term or condition, or waiver of any breach or default hereunder by the other party shall not waive any other terms, conditions, or defaults whether of a similar type or not.

18. Modification

No modification may be made to the terms of this purchase order unless made in writing and signed by the party against whom performance is sought.

19. Compliance with Laws

SELLER shall, at its own expense, comply with all applicable laws, regulations and other requirements of every applicable governmental authority, agency or instrumentality and assume all liabilities or obligations imposed there with respect to SELLER's performance under this purchase order. Without limiting the generality of the foregoing, SELLER represents and warrants that it complies with the following laws (as amended) and any implementing rules and regulations: (a) Federal Occupational Health and Safety Act of 1970; (b) Fair Labor Standards Act of 1938; (c) EC Directive on the Restriction on the Use of Certain Hazardous Substances in Electrical and Electronic Equipment; (d) EC Directive on Waste Electrical and Electronic Equipment; and (e) laws regarding discrimination as to age, race, color, religious creed, sex, sexual orientation, gender identity, ancestry or national origin, physical or mental disability or veteran status. SELLER agrees to promptly notify BUYER of any product recalls or harmful materials or defects contained in SELLER's Goods. SELLER shall provide a Safety Data Sheet to BUYER as required by law. Seller shall label the container of any hazardous material to be delivered under this purchase order in accordance with all relevant hazardous materials transportation laws and regulations, including, but not limited to, the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, et seq., and 49 CFR Parts 171-180.

SELLER shall comply with all applicable laws and regulations with respect to the business conducted or services performed with or on behalf of Lincoln, including (without limitation) all applicable "Anti-bribery Laws," which prohibit the payment or transfer directly or indirectly of anything of value to governments, government officials, state-owned enterprises, political parties, political party officials, or to relatives or associates of such officials, in connection with obtaining or maintaining business or an improper business advantage.

SELLER agrees that it will not participate in the sale of Lincoln products or technology to any entity in or for export to any country that is deemed to be a "prohibited country" under U.S. export control laws (currently, Cuba, Iran, North Korea, Sudan or Syria) or for use in nuclear, chemical or biological weapons or rocket or missile applications.

Upon BUYER's request, SELLER shall provide information in response to any reasonable request (including a written certification) regarding compliance with applicable laws, rules or regulations.

BUYER is a holder of U.S. government contracts and is subject to certain additional statutory, regulatory and contractual requirements by virtue thereof. If this purchase order is issued under a U.S. government prime contract or subcontract under U.S. government prime contract, SELLER agrees to comply with all statutory, regulatory and contractual requirements applicable to the prime contract or subcontract, copies of which may be furnished to SELLER upon SELLER's request.

BUYER incorporates into this Agreement, as applicable, the obligations regarding the notice of employee rights under federal labor laws found at 29 CFR Part 471, Appendix A to Subpart A, and supplier will likewise incorporate those obligations into all applicable subcontracts as required by 29 CFR Part 471.

For BUYER purchases of \$100,000 or above, in a single purchase order and not aggregated, which purchase is necessary for the performance of BUYER'S direct federal contracts, supplier may be obligated to complete a VETS-4212 in accordance with 41 CFR Part 61-300.

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Slavery and Human Trafficking: SELLER shall operate its business in compliance with all applicable laws related to employment and labor, environmental, health, and safety practices. SELLER represents and warrants to Lincoln that it shall not permit the use of slavery, forced, involuntary or coerced labor, child labor, human trafficking or sex trafficking by any employee, agent, subcontractor or SELLER in the operation or support of its business or the manufacture and distribution of products to Lincoln. SELLER further warrants to Lincoln and agrees that it shall:

1. Not engage in any form of human trafficking, whether by force, fraud, or coercion; or any form of involuntary servitude or slavery; or any form of sex trafficking or the procurement of any commercial sex act;
2. Not knowingly use any form of forced or involuntary labor, including through the use of (a) threats of harm to, or restraint against, any person; (b) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not perform such labor or services, that they or another person would suffer serious harm or restraint; or (c) threaten any abuse of legal process;
3. Not engage in, or support the use of child labor and shall comply with all applicable local child labor laws;
4. Not destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses;
5. Not use misleading practices during the recruitment of employees or offering of employment, and shall reasonably disclose to employees, the terms and conditions of employment, including wages and benefits, the location of work, the housing conditions and associated costs (if provided), any costs to be charged to the employee or withheld from earnings, and, if applicable, the hazardous nature of the work.
6. Comply with all applicable local wages, benefit, and working hours labor laws;
7. Not charge employees or prospective employees a recruitment fee and shall not use recruiters that do not comply with local labor laws of the country in which the recruiting or employment takes place; SELLER shall take reasonable steps to audit or monitor compliance with these terms within their own respective supply chains and shall, upon request by Lincoln, provide such written certification to Lincoln confirming its compliance with the above requirements and applicable law.

SELLER agrees to implement supply chain procedures to undertake: (1) a reasonable inquiry into the country-of-origin of Conflict Minerals (tin, tantalum, tungsten and gold) incorporated into any Goods supplied to BUYER hereunder and (2) due diligence of its supply chain to determine if Conflict Mineral sourced from the Democratic Republic of the Congo or one of the surrounding countries of Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda or Zambia ("Covered Countries") directly or indirectly support unlawful armed groups there and (3) implement procedures to assess and mitigate the risk of purchasing conflict minerals from sources which may support such armed groups, and (4) if applicable, comply with Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a), as applicable. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

Proposition 65 requires that warnings be provided on products sold in California if they contain certain chemicals listed by the State of California as causing cancer, birth defects or other reproductive harm. Examples of listed chemicals are chromium, lead, nickel and di(2-ethylhexyl) phthalate DEHP (used as a plasticizer in PVC) and products containing even very small amounts of those or any other listed chemical (see http://oehha.ca.gov/prop65/prop65_list/Newlist.html) must have a Proposition 65 warning. SELLER of finished products, whether supplied in retail or bulk packaging, shall be solely responsible to determine if the product contains a listed chemical and, if so, label the product or its retail packaging with the warning as required. SELLER of materials and component parts shall be responsible to notify BUYER if the material or component it supplies contains a listed chemical so BUYER can apply an appropriate warning. SELLER agrees to defend and indemnify BUYER from any claim that its product does not comply with Proposition 65 or if it fails to notify BUYER that a component it supplies contains a listed chemical. For additional information about California Proposition 65 see <http://www.oehha.ca.gov/prop65.html>.

20. Customs and Import Requirements

Unless otherwise agreed to by BUYER, SELLER agrees that BUYER shall not be the importer of record for any shipment of the Goods into the United States for delivery to BUYER. SELLER agrees to comply fully with all applicable U.S. Customs and import laws and requirements in supplying Goods to BUYER. All Goods shall be

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marked or labeled conspicuously, legibly and permanently in English with their country of origin in compliance with applicable laws. For Goods supplied from outside the U.S., SELLER shall provide a commercial invoice describing the Goods in English and listing all payments and charges, direct and indirect, to be made for the Goods, in sufficient detail to support entry of the Goods into the U.S. and clearance through U.S. Customs. In addition, SELLER shall provide to BUYER all supporting documentation substantiating country of origin, valuation, HTS classification and/or preferential treatment under U.S. Customs laws (including, in the case of Goods supplied from Mexico, Canada or the U.S., a NAFTA Certificate of Origin for eligible Goods) and shall immediately notify BUYER of any changes in any such information.

In the event that BUYER notifies SELLER that BUYER will be cross-docking and forwarding the Goods (shipment/pallet) in its original contents to one of its affiliate entities located outside the United States, SELLER shall provide packaging/pallets that conform to the ISPM-15 (International Standards for Phytosanitary Measures #15), including, without limitation, providing the proper stamp, branding, or certification on the packaging. Failure to do so could result in additional costs being assessed to SELLER by BUYER.

21. Ethical Business Conduct/Lincoln Code of Corporate Conduct and Ethics

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BUYER expects SELLER to be committed to a policy of fair, honest and ethical business practices and conduct and of full compliance with published standards and codes for their industry, and SELLER agrees to and accepts the foregoing policy as a governing principle of its relationship with BUYER. In particular, SELLER warrants that its employment, environmental and health and safety practices are in compliance with industry standards, in addition to applicable laws. In addition, SELLER acknowledges that BUYER has adopted a Code of Corporate Conduct and Ethics governing, among other things, its relationships with suppliers (a copy of which can be found on BUYER's website at www.lincolnelectric.com). SELLER agrees to conduct itself in its dealings with BUYER in a manner that is consistent and facilitates compliance with BUYER's Code.

22. Governing Law

All BUYER's purchase orders shall be governed by, interpreted, and enforced in accordance with the internal laws of the State of Ohio, including the provisions of Ohio's Uniform Commercial Code, but specifically excluding the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods and without giving effect to its conflict of laws principles. SELLER hereby unconditionally and irrevocably agrees to submit to the jurisdiction of any court of general jurisdiction sitting in the state of Ohio.

23. Disputes

In the event of any controversy, claim or dispute arising out of or relating to a purchase order (a "Dispute"), BUYER and SELLER shall seek to resolve the matter amicably through mutual discussions to be initiated by written notice by the aggrieved party to the other party as promptly as possible after a Dispute arises and to be conducted diligently in good faith by both BUYER and SELLER. Such discussions may be conducted over the telephone, or at a meeting or meetings, held at the principal offices of BUYER, or at such other location as the parties may agree.

If the parties fail to resolve any such Dispute by amicable arrangement and compromise within the thirty (30)-day period immediately following the date of the notice initiating such discussions referred to in the paragraph above, either party may submit the Dispute for resolution by mediation. The mediation shall be conducted at the principal offices of BUYER, or at such other location as the parties may agree. The mediator shall be jointly selected by the parties. Mediation shall continue for at least thirty (30) days, unless the mediator chooses to withdraw sooner. Each party shall bear its own costs of the mediation effort, and the parties shall equally share the cost of the mediator.

If the Dispute cannot be resolved through mediation, either party may commence an action to resolve the Dispute in the courts of the State of Ohio, and each of the parties irrevocably submits to the exclusive jurisdiction of such courts, waives any objection it may now or hereafter have as to venue or as to convenience of forum, and agrees that all claims in respect such Dispute be heard and determined only in such courts. Process in any such Dispute may be served on any party anywhere in the world.

24. Taxes

All taxes (whether sales, use, excise or otherwise) which SELLER is required by law to collect from BUYER and to remit to the appropriate governmental authorities shall be separately stated on SELLER's invoice and shall be included in the price of the Goods.

25. Acknowledgement

This purchase order contains the entire agreement among the parties with respect to the subject matter hereof. Any reference to SELLER's offer to sell or proposal is solely for the purpose of incorporating the description, pricing and specifications of the Goods contained therein to the extent that such description, pricing and specifications do not conflict with the description, pricing and specifications on the face of this order. In the event SELLER accepts this order on its own acknowledgement or acceptance form, it is understood that all the terms and conditions of this order (including the terms and conditions incorporated by reference) are not subject to any additional or different terms in the SELLER's form and that only the terms and conditions of this order shall prevail. ANY ADDITIONAL OR DIFFERENT TERMS IN THE SELLER'S FORM ARE HEREBY DEEMED TO BE MATERIAL ALTERATIONS AND NOTICE OF OBJECTION TO AND REJECTION OF SUCH TERMS IS HEREBY GIVEN.