

## PURPOSE

Lincoln Electric is committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable domestic and foreign laws, including anti-corruption laws. These laws prohibit bribery of Government Officials, as defined below, as well as private commercial bribery. This Policy sets forth the rules and guidelines all employees, contractors, officers and directors, wherever located globally, must follow to comply with applicable anti-corruption laws.

## I. POLICY

You must not offer, promise, give or authorize the giving of anything of value (including gifts, entertainment and travel), either directly or indirectly, to a Government Official or commercial representative in order to influence official action and/or otherwise obtain an improper business advantage.

Because no policy can address all situations raising corruption concerns, you must consult with **Legal or Director, Compliance** whenever you have questions about the legality or appropriateness of any activities raising anticorruption risk. Please also consult the **Anti-corruption “Red Flags” Checklist** at Attachment 1.

## II. PRE-CLEARANCE REQUIREMENTS

You must obtain pre-clearance for any proposed meals, entertainment, travel, lodging, gifts, contributions or other things of value for Government Officials as indicated below. (Local policies may impose additional restrictions or require other approvals. In the US, the Government Contracting policy also applies.) Pre-clearance is not required for meals, entertainment, travel, lodging and gifts to commercial representatives, although the guidelines below still apply. Employees who do not obtain pre-clearance when required will not be reimbursed and are subject to disciplinary action. If local laws or regulations do not permit a Government Official to accept a meal, entertainment, travel, gift or facilitation payment, it may not be offered, regardless of value.

Q&A
<p><b>Q: Who is a Government Official?</b></p> <p><b>A: The term “Government Official” is broadly defined and includes (a) officers or employees; and (b) any person acting for or on behalf of:</b></p> <ul style="list-style-type: none"><li>• Any government, governmental agency or instrumentality, or any public international, supranational or regional organization;</li><li>• Any company that is owned or controlled by a government or governmental agency;</li><li>• Any political party, party official or political candidate; and</li><li>• Members of royal families.</li><li>• If you have any doubt as to whether an individual is a Government Official, consult the Legal or Director, Compliance for guidance.</li></ul>

### Meals

Pre-clearance is required for all meals with Government Officials above USD 50 per person or if the meal is not reasonable and customary in connection with the relevant business. See Exhibit A for **Pre-Clearance Request Form**. It is expected that meals such as breakfast and lunch will be less than USD 25. Regardless of the cost of the meal per person, you must record the expenditure accurately in the Company’s books and records.

### III. PRE-CLEARANCE REQUIREMENTS (continued)

#### Business Entertainment and Travel

You must pre-clear any business entertainment and non-local travel and lodging provided to a Government Official. See Exhibit A for **Pre-Clearance Request Form**. Entertainment includes concerts, cultural events and sporting events. Business travel expenses should be reasonable and relate to the Company's products or services, professional education and training, or conferences and business meetings. Travel expenses include airfare, accommodations, and meals. Payments for entertainment and travel must be made directly to the appropriate vendor.

#### Gifts

All gifts to Government Officials require pre-clearance except those of nominal value such as inexpensive sports caps, pens, customary holiday gifts or items with the Company's logo distributed at entertainment or promotional events. See Exhibit A for **Pre-Clearance Request Form**. The number of gifts should be reasonable. Gifts of cash or cash equivalents (such as gift cards) are never permitted. You must record gifts to Government Officials, both nominal and otherwise, accurately in the Company's books and records.

#### Charitable Contributions

It is expressly prohibited to provide a charitable contribution in direct exchange or as an inducement for business with Lincoln Electric or some other improper benefit or advantage to Lincoln Electric. To the extent you wish to provide a charitable contribution related to Lincoln Electric business for a non-prohibited reason, please contact Legal department or Compliance Director.

#### Employment

Providing employment, internship or any other work opportunity, whether compensated or not, to an individual recommended by a Government Official may be viewed as improper. It is therefore discouraged, and requires pre-clearance by Compliance Director.

#### Spouses and Families of Government Officials

Providing anything of value to a spouse or family member of a Government Official such as a meal, gift, entertainment, travel, or employment, may be viewed as improper. It is therefore discouraged, and requires pre-clearance, which will only be granted in exceptional circumstances.

#### No Facilitation Payments

In some countries, it may be the local practice to make a payment of nominal value to a low-level Government Official in order to expedite or "facilitate" routine government actions over which the official has no discretion. Examples include providing police protection, granting visas, or clearing customs. Facilitation payments are presumptively prohibited. For any exceptions, pre-clearance must be obtained by the Compliance Director or Legal department.

### III. BUSINESS PARTNERS WHO MAY INTERACT WITH GOVERNMENT OFFICIALS

You may not use third parties, including any distributor, agent, consultant, joint venture partner, finder or other intermediary (collectively, "Business Partners") to do something indirectly that we may not do directly. Business Partners that interact with Government Officials and state-controlled entities present the most corruption-related risk. In order to mitigate this risk, you must follow the due diligence procedures set forth in the Vendor Due Diligence Policy and the Distributor and Agents Due Diligence Policy before retaining or

## IV. BUSINESS PARTNERS WHO MAY INTERACT WITH GOVERNMENT OFFICIALS (continued)

conducting business with a Business Partner.

Special attention must be paid to any investment, JV or other transaction that will result in the transfer of funds, directly or indirectly, to a Government Official or Commercial Representative or an entity owned or controlled by a government or a Government Official or Commercial Representative. Whenever a Government Official is directly or indirectly involved in a Company transaction, employees must avoid making promises or transferring money, stock or anything else of value, without first consulting the Chief Compliance Officer and obtaining approval for the recipient and transaction. Excluded from this requirement are transfers made in the normal course of business for standard commercial transactions.

## IV. ACCURATE BOOKS AND RECORDS

All Company employees must do their part to ensure that the Company's books and records accurately and fairly reflect, in reasonable detail, the Company's transactions in accordance with applicable laws. All payments, gifts or other things of value provided to Government Officials or commercial representatives shall be reflected accurately in the Company's books and records.

## V. VIOLATIONS OF THIS POLICY OR APPLICABLE LAW

Violations of anti-corruption laws may result in criminal, civil, and regulatory penalties against the Company and individual employees, and could negatively impact the Company's ability to conduct business in particular jurisdictions. Failure to comply with this Policy, concealing or destroying evidence related to a possible violation, or refusal to cooperate with an investigation into a possible violation will also result in disciplinary action, including termination of employment.

You must promptly report violations or potential violations of this Policy or applicable laws or regulations to your supervisor, Legal department, Director, Compliance and/or to the Company's hotline, as appropriate. Any employee who suspects a violation and reports it in good faith will be protected from retaliation for speaking up.



Regional Compliance Coordinators:

[GlobalLinc/Corporate Compliance Community/Coordinators](#)



Compliance Hotline: [GlobalLinc/Corporate Compliance Community/Hotline](#)

Web Portal: <https://lincolnelectric.ethicspoint.com/>



Compliance Team: [Lincoln\\_Compliance@lincolnelectric.com](mailto:Lincoln_Compliance@lincolnelectric.com)

November 2022

## ATTACHMENT 1

### ANTI-CORRUPTION “RED FLAGS” CHECKLIST

To assist in identifying potentially corrupt transactions, the following “red flags” checklist is provided as a reference. Please keep in mind that this is not an exhaustive list, but rather includes some of the more common examples of red flags to watch for. Employees who observe any of the following red flags must immediately notify their supervisor or the Director, Compliance.

**Unusual payments.** Any payment from Lincoln Electric to a person or entity that appears to be unusual under the circumstances is a red flag. This includes payments that are unusually large based on the contemplated transaction or actual services rendered, the use of payment methods that are not typical in the circumstances, payments to the locations without clear connection to the service provider / services.

**Payments inconsistent with the stated purpose of payment.** Any payment that is inconsistent with the services or products to be provided (e.g., a government “fine” being paid to a private third party, or a request to make a payment to a third party to which Lincoln Electric does not owe money).

**Payments to third parties who are in a different line of business than that for which they have been engaged.** Payments to companies or individuals for work that is different than their typical business and area of expertise.

**Payments to persons or entities recommended by a Government Official.** Any payment to a person or entity selected or recommended by a Government Official (including employees of government-owned or affiliated entities).

**Contracts requiring travel or overseas training.** Any contract which includes a provision requiring travel or overseas training for Government Officials or anyone identified by a Government Official / government agency.

**Requests for donations.** Any contract requirement or customer request for a charitable, political or other type of donation.

**Refusal to sign anti-corruption provisions.** A customer or Business Partner who refuses to sign anti-corruption representations or warranties, including an agreement to comply with laws, the right for Lincoln Electric to audit its books and records, and termination rights for Lincoln Electric if anti-corruption laws are violated.

**Commissions above industry standards.** Any contract that involves commissions to a Business Partner above typical industry standards or for activities unrelated to the contract.

**Discounts above industry standards.** Any discounts to a Business Partner above typical industry standards.

**Business Partner is not qualified or permitted to perform service.** Payments to Business Partners who lack qualifications, expertise, manpower, experience, or the necessary legal business scope or permits to perform the relevant service.

## ATTACHMENT 1

### ANTI-CORRUPTION “RED FLAGS” CHECKLIST (continued)

**Contract lacks adequate detail.** The detail, quality, and sophistication of relevant documents are insufficient, vague, or poorly drafted relative to the size of payment under the contract. In particular, the description of services is unduly short / incomplete.

**Payments for ambiguous/unexplained reasons.** Payments to companies or individuals whose provision of products or services are unexplained, ambiguous, indeterminable, or seem unnecessary to carry out the purposes of the contract (e.g., “training fees” when no training is necessary or vague “consulting fees” for no distinct advice or guidance).

**Commission payments with unusual timing.** Commission payments with unusual timing (e.g., commissions paid prior to services being rendered).

**Unusual requests for payments in cash.** Any requests for cash payments or other types of unusual payments, such as payments to be made to a bank located in a foreign country unrelated to the contract or made to undisclosed third parties.