The
Lincoln Electric Company
Employee Savings Plan
—
401(k) Plan
Summary Plan Description

For Employees of The Lincoln Electric Company, Welding, Cutting, Tools & Accessories, LLC, Lincoln Electric Cutting Systems, Inc., Kaliburn, Inc., J.W. Harris Co., Inc., Smart Force, LLC and Lincoln Global, Inc.

January 1, 2017

THE LINCOLN ELECTRIC COMPANY
CLEVELAND, OH 44117-1199

The More You Know…

This booklet provides an overview of the provisions of The Lincoln Electric Company Employee Savings Plan, or 401(k) Plan, and answers many commonly-asked questions. This booklet describes the provisions of the 401(k) Plan, as amended and restated effective January 1, 2017 (Plan), that are applicable to employees of The Lincoln Electric Company, Welding, Cutting, Tools & Accessories, LLC, Lincoln Electric Cutting Systems, Inc., Kaliburn, Inc., J.W. Harris Co., Inc., Smart Force, LLC and Lincoln Global, Inc. There are other booklets that describe the provisions of the 401(k) Plan applicable to employees of other employers.

We hope that you will find this summary useful and that you will discuss the information with your family. As you read about the 401(k) Plan, you may have questions about the way the Plan works. If so, you can contact the Human Resources Benefits Team for more information.

To simplify this overview, we have tried to avoid using legal and technical language. In addition, we have not included every provision of the Plan, and have only described the more common or typical provisions. **IF THERE IS ANY INCONSISTENCY BETWEEN THIS SUMMARY AND THE OFFICIAL PLAN DOCUMENT, THE PLAN DOCUMENT WILL GOVERN.**

This description is intended only to help you understand the 401(k) Plan and is not intended to change the 401(k) Plan in any way. All of the details of the 401(k) Plan and its provisions can be found in the official plan document, which is available from the Human Resources Benefits Team.

You should review this summary plan description and the booklet “Your Guide to Getting Started” provided by Fidelity. These documents may be supplemented or updated from time to time and the Company will provide you with such supplements and updates.

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THE PLAN AT A GLANCE

The Lincoln Electric Company (the Company) wants to help you have a financially secure retirement. That's why the Company offers The Lincoln Electric Company Employee Savings Plan (the 401(k) Plan or Plan) to eligible employees of the Company and affiliated companies that have adopted the Plan (Employers). The 401(k) Plan is a simple and tax-effective way to save money for your retirement.

Under the 401(k) Plan, you have an account that grows with contributions and earnings. When you retire, the money in your account is available to fund your retirement needs.

Here's how it works:

- You can save your own money without paying taxes on your savings (until you're ready to use the money). Making these contributions lowers your taxable income each year, which means you pay less in taxes.
- You select how your savings are invested. The Company offers numerous professionally-managed investment options from which you can choose, so you can invest your money in a diverse portfolio. Plus, the earnings in your account are also tax-free until you actually receive a distribution.
- If you contribute to the 401(k) Plan, your Employer may make a matching contribution to your account based on the matching contribution amount in effect under the 401(k) Plan at the time you make your contribution.
- Whether or not you contribute to the 401(k) Plan, your Employer will make nonelective employer contributions to your account.
- If you meet certain requirements, your Employer will make transitional employer contributions to your account for a specified period of time.
- If you were a participant in the Financial Security Program (FSP) or the Financial Security Program (FSP) Plus, your Employer made contributions to your 401(k) account in the past even if you were not making contributions. Those contributions remain in your 401(k) account and can continue to grow tax-free.
- Finally, if you were a participant in the old Employee Stock Ownership Plan (ESOP), the Company made contributions for you in the past, which remain in your 401(k) account and can continue to grow tax-free.

Participating in the 401(k) Plan is easy. You determine how much you want to contribute to your account, and then your contributions are deducted automatically from your regular paycheck and/or bonus.

ELIGIBILITY & ENROLLMENT

Eligible Employees

For Pre-Tax Contributions – Covered Employees become eligible to participate in the 401(k) Plan, for purposes of making pre-tax contributions, on the first of the month following the date that they become a Covered Employee.

For Matching Contributions and Nonelective Employer Contributions - Covered Employees become eligible to participate in the 401(k) Plan, for purposes of having matching contributions and nonelective employer contributions made on their behalf, on the first of the month after they either have completed 6 months of consecutive full-time employment with an Employer or have been credited with one Year of Eligibility Service (as defined below).

A Covered Employee is any employee of an Employer (other than a leased employee or an employee on disability).

The Employers under the 401(k) Plan for purposes of this booklet are the Company, Welding, Cutting, Tools & Accessories, LLC., Lincoln Electric Cutting Systems, Inc., Kaliburn, Inc., and Lincoln Global, Inc. (excluding any employee of its Seal Seat division whose date of hire, date of rehire or date of transfer to such division is after April 30, 2013). In addition, J.W. Harris Co., Inc. and Smart Force, LLC are Employers under the Plan, but only with respect to those employees of the Harris Products Group employed at the Gainesville, Georgia location and of Smart Force, LLC, who pursuant to the retirement choice offered by the Company and J.W. Harris in 2007, did not elect to be eligible to participate in the J.W. Harris Co., Inc. Profit Sharing/401(k) Plan effective January 1, 2008, and excluding those employees whose date of hire, date of rehire or date of transfer to such company or location is on or after May 1, 2007. A complete list of the Employers under the Plan at any time may be obtained upon written request to the Company or is available for examination at the Company's corporate office.

An employee will be credited with one Year of Eligibility Service if, during the 12-month period beginning with his or her date of hire (or thereafter, during a calendar year), he or she completes 1,000 hours of service with the Company or any affiliated company.

For Transitional Employer Contributions –Covered Employees of certain Employers who on January 1, 2017 met the eligibility requirements for transitional employer contributions became participants in the 401(k) Plan on January 1, 2017 for purposes of having transitional employer contributions made on their behalf. See the specific eligibility requirements for transitional employer contributions in the section entitled "Company Contributions" on page 12.

For Rollovers – All Covered Employees, even those who do not meet the eligibility requirements listed above, may roll over contributions from a prior employer's plan or IRA at any time.

For FSP and FSP Plus Contributions – Prior to January 1, 2017, certain Covered Employees employed by specified Employers were eligible to have their Employer make FSP or FSP Plus Contributions to the 401(k) Plan. You may contact the Human Resources Benefits Team for more information regarding past eligibility requirements for FSP or FSP Plus Contributions. All FSP and FSP Plus Contributions ceased to be made to the Plan for any year after December 31, 2016.

Reemployment

If you terminate employment with the Employers and all affiliated companies, and are later reemployed as a Covered Employee, you will be eligible to make pre-tax contributions upon your enrollment or automatic enrollment in the Plan. You will be eligible to receive matching contribution and nonelective employer contributions if you meet the requirements for receiving those contributions. However, you will not be eligible to receive transitional employer contributions after you are reemployed.

Enrollment

Pre-Tax Contributions

Once you meet the eligibility requirements for making pre-tax contributions, you may enroll in the 401(k) Plan and begin having contributions deducted from your pay on the next permitted enrollment date (as described below).

To enroll, log on to Fidelity NetBenefits℠ at www.401k.com or call the Fidelity Retirement Benefits Line at 800-835-5095. You will be asked to specify the percentage you want deducted from your pay and how you would like to invest your money. For example, if your annual pay is $42,000 and you elect to contribute 10%, you will contribute $4,200 annually to your 401(k) account. You must also complete a beneficiary designation form that can be done on-line.

If you do not enroll when you become eligible to participate and you are an employee of The Lincoln Electric Company, you will automatically be enrolled in the 401(k) Plan at a specified percentage of your base pay (and 0% of your bonus) and your pre-tax contributions will be invested in a default target retirement date investment fund selected by the Company based on your date of birth. If you do not want to be automatically enrolled, you must make an election to decline enrollment or enroll at a different contribution percentage before the date that you would be automatically enrolled. You will receive information from Fidelity regarding automatic enrollment and how and when you can decline or change automatic enrollment.

The deductions from your pay will be effective as soon as administratively possible. Deductions will continue (each month and each year) until you request a change, and will be invested based on your current investment election for new contributions.

If you are an employee of The Lincoln Electric Company, you must make a separate request to have amounts deducted from your bonus compensation. Bonus deduction requests must be made during the period of November 1 through the Wednesday before Thanksgiving. You can specify a whole percentage of your bonus or a set dollar amount. A new request must be made each year to have pre-tax contributions taken out of your bonus. Your bonus contributions will be invested based on your current investment election for new contributions.

Bonus deduction requests are done on-line at www.401k.com or by calling The Fidelity Retirement Benefits Line at 800-835-5095.

If you are not an employee of The Lincoln Electric Company, and you elect to make pre-tax contributions, your election will apply to your total pay – base pay and bonus – and will continue in effect until you request a change.

Nonelective and Transitional Employer Contributions

If you are eligible to receive nonelective or transitional employer contributions, your Employer will automatically make contributions into your account once you become eligible. You should contact Fidelity to specify how you want these contributions invested. New participants who do not make an investment election will have their contributions invested in a default target retirement date investment fund selected by the Company based on their date of birth, until they make an investment election.

EMPLOYEE CONTRIBUTIONS

There are three types of contributions employees can make to the 401(k) Plan: pre-tax, catch-up and rollover contributions.

Pre-Tax Contributions

A key advantage of the 401(k) Plan is that you can save a portion of your pay on a pre-tax basis (known as pre-tax contributions). This means you do not pay federal income taxes and most state income taxes on the money you contribute or its earnings until you withdraw the money.

By saving pre-tax, you end up having more spending money than if you saved the same amount on an after-tax basis, such as in a personal savings account. To see how your spending money is impacted by pre-tax vs. after-tax savings, take a look at the example below.

Savings Comparison	Pre-Tax Savings	After-Tax Savings
Pay	$ 42,000	$ 42,000
Save in a pre-tax vehicle (401(k)) (10%)	- 4,200	- 0
Taxable Income	$ 37,800	$ 42,000
Federal Income Taxes	- 5,250	- 6,300
Save in an after tax vehicle (personal savings) (10%)	- 0	- 4,200
Remaining Spending Money	$ 32,550	$ 31,500
Extra spending money = $1,050		

In this example, you would keep an extra $1,050 simply by saving through the 401(k) Plan on a pre-tax basis.

How much can I contribute on a pre-tax basis?

You can contribute any percentage from 1% to 80% of your total pay. Your contributions must be in whole percentages. However, if you are an employee who is required to make separate elections with regard to your base pay and bonus, you may elect to contribute a whole dollar amount (up to 80%), rather than a percentage, from your bonus.

Your ***total pay*** is your base pay and bonus paid to you by your Employer.

Base pay includes your regular salary and/or wages and overtime, commissions, vacation pay, shift and incentive premiums and regular pay adjustments (but not bonus, reimbursed expenses or other special payments) from your Employer.

Bonus is the bonus you receive from your Employer in connection with your Employer's regular incentive compensation program, but does not include signing bonuses, retention bonuses or other similar payments.

Base pay and bonus contributions are subject to IRS-imposed limits (see pages 9-10 for an explanation of these limits).

How do I make pre-tax contributions?

See the section entitled "Enrollment" on page 7.

How much will I contribute on a pre-tax basis if I am automatically enrolled?

If you are an employee of The Lincoln Electric Company and do not enroll when you become eligible to participate, you will be automatically enrolled and 4% of your base pay will automatically be contributed on a pre-tax basis. This contribution percentage will continue in effect until you change it, as described below.

What happens if my base pay changes?

Since the contributions made to your account are based on a percentage of your base pay, there is a direct relationship between your pay and your contributions. If your pay rate changes, the dollar amount of your contributions will change automatically.

For example, assume you earn $42,000 and contribute 10% ($4,200) to your 401(k) account. If your pay changes to $44,000 a year, your new contribution would automatically be $4,400 a year.

When are my pre-tax contributions made to the Plan?

Your pre-tax contributions of base pay are automatically deducted from your regular paycheck. Bonus contributions are deducted from your bonus check. Contributions are sent from your Employer to the 401(k) Plan as soon as possible after each pay day.

Can I change my contribution percentage?

You can increase, decrease, or resume your pre-tax contributions by logging on to Fidelity NetBenefits℠ at www.401k.com or calling the Fidelity Retirement Benefits Line at 800-835-5095.

Changes can be made at any time and are effective as soon as administratively feasible after they are made.

Can I contribute to the 401(k) Plan now and stop contributions at a later date?

Yes. You may stop pre-tax contributions to the 401(k) Plan at any time, by logging on to Fidelity NetBenefits℠ at www.401k.com or calling the Fidelity Retirement Benefits Line at 800-835-5095. Changes are effective as soon as administratively feasible.

Can I contribute a different amount from bonus each year?

If you are an employee who is required to make separate contribution elections for base pay and bonus, you must make a separate election each year for bonus. Therefore, you can change the amount from year to year. If you are not an employee who is required to make separate contribution elections for base pay and bonus, any pre-tax contribution election that you make will continue to apply year after year to your total pay (including bonus) until you change your election.

Can I make contributions to the 401(k) Plan by writing a separate check?

No. All pre-tax contributions must be deducted from your base pay and/or bonus.

Are there limits as to how much money I can contribute to the 401(k) Plan each year?

When determining how much to contribute to the 401(k) Plan, it is important to note that the IRS sets certain limits on contributions. There are five types of annual limits, which can change each year.

For 2017…

1. the maximum pre-tax contribution you can make to your 401(k) account is $18,000.
2. the maximum total contribution you and your Employer can make to your 401(k) account is the lesser of $54,000 or 100% of your total pay. This includes pre-tax contributions, Employer matching contributions, nonelective contributions and transitional contributions, but does not include earnings, rollover contributions or catch-up contributions.

3. the maximum catch-up contribution (see below) you can make to your 401(k) account is $6,000.
4. the maximum total pay (base plus bonus) that can be considered when calculating contributions (including Employer contributions) under the 401(k) Plan is $270,000.
5. a final limit may be imposed on contributions by employees with pay of $120,000 or more. You will be notified if your contributions need to be adjusted under this limit after the end of the year.

Do I pay federal income tax on the amounts I contribute?

No. One of the main advantages of a 401(k) plan is that you don't pay federal income tax on your contributions (or earnings) until you withdraw the money.

Do I pay state income tax on the amounts I contribute?

Generally, no. Most states do not tax 401(k) contributions until they are received – just like federal income tax. For example, you will not pay state income tax on your contributions in Ohio, Georgia, or California until you receive the money.

Do I pay FICA tax on the amount I contribute?

Yes. FICA tax is based on your gross pay. However, because you pay FICA tax on your pre-tax contributions, those amounts are included in your Social Security eligible wages.

Do I pay city tax on the amount I contribute?

This varies from city to city, but, generally, most cities require that you pay income tax on your pre-tax contributions.

Catch-Up Pre-Tax Contributions

If you will be age 50 or older during a calendar year and have elected to make the maximum allowable regular pre-tax contributions for that year ($18,000 for 2017), you may make an additional "catch-up" contribution for that year up to the maximum IRS prescribed limit for catch-up contributions for that year ($6,000 for 2017). Catch-up contributions are made with pre-tax dollars and can be deducted from your base pay or your bonus. Catch-up contributions are not eligible for matching contributions and you must have contributed the basic IRS maximum before catch-up contributions can begin.

How do I make an election to make catch-up contributions?

You must make a separate election to take advantage of catch-up contributions. You can do so by contacting Fidelity Investments through the toll-free number or the Internet.

How do I change or stop my catch-up contributions?

You can change or stop your catch-up contributions with the same frequency as you can change or stop your regular pre-tax contributions. To change or stop your catch-up contributions, contact Fidelity Investments through the toll-free number or the Internet.

Do I have to make a new election to make catch-up contributions each year?

No. Catch-up contribution elections will roll over from year to year.

Are there any other restrictions on catch-up contributions?

Catch-up contributions are not eligible to receive any matching contributions. Other than that, catch-up contributions are treated like regular pre-tax contributions for other 401(k) Plan purposes like vesting, loans, and regular distributions.

Can my catch-up contributions be returned to me?

No. Catch-up contributions can be distributed to you only at the times that regular pre-tax contributions could be distributed to you.

Rollover Contributions

If you will be receiving a distribution from another employer's 401(k) plan, you may be able to transfer or "roll over" that amount to the 401(k) Plan. And, you won't have to pay taxes on the contribution (or earnings) until you take it out of the 401(k) Plan. However, you cannot roll over funds from a Roth 401(k) account. You also may be able to make a transfer like this with money from another employer's profit sharing plan, ESOP, or pension plan or from a pension plan maintained by The Lincoln Electric Company or J.W. Harris Co., Inc. if you receive an in-service distribution in the form of a lump sum or installments.

If you have money in a regular individual retirement account or annuity (IRA), you may roll over those funds into the 401(k) Plan. You cannot roll over funds from a Roth IRA.

If you are a Covered Employee, you can roll over your money at any time. But remember, you won't be eligible to have employer contributions made on your behalf until you meet the applicable eligibility service requirements.

If you are a former employee who has an account balance under the 401(k) Plan and you receive a lump sum or annual installment payments from a pension plan maintained by The Lincoln Electric Company or J.W. Harris Co., Inc., you may be able to roll over the payment(s) into the 401(k) Plan.

How do I make a rollover contribution?

To make a rollover contribution, log on to Fidelity NetBenefits℠ at www.401k.com or call the Fidelity Retirement Benefits Line at 800-835-5095. You will also need to contact your previous employer to initiate a transfer and provide Fidelity with documentation verifying that these assets are from a qualified plan.

COMPANY CONTRIBUTIONS

There are three types of contributions that your Employer may make to your 401(k) account: matching contributions, nonelective employer contributions and transitional employer contributions.

Matching Contributions

After you meet the eligibility requirements for matching contributions, your Employer will make a matching contribution to your account of $1.00 for every pre-tax dollar you contribute, up to 3% of your pay. The match is made on both base pay and bonus pre-tax contributions, up to the 3% limit. However, matching contributions **are not** made on your catch-up contributions.

Matching contributions, like your pre-tax contributions, accumulate tax-free until you receive them from the 401(k) Plan.

The Company reserves the right to suspend matching contributions at any time.

How will I receive matching contributions?

Like your pre-tax contributions, the matching contribution will be contributed automatically to your 401(k) account each pay period. Matching contributions made during the year are based on a maximum of 3% of your per pay income.

Matching contributions will not be made after you cease to be a Covered Employee.

Nonelective Employer Contributions

After you meet the eligibility requirements for nonelective employer contributions, your Employer will make a nonelective employer contribution to your account in the amount of 3% of your total pay – both base pay and bonus. Nonelective employer contributions accumulate tax-free until you receive them from the 401(k) Plan.

Nonelective employer contributions will be contributed automatically to your 401(k) account so long as you meet the eligibility requirements for nonelective employer contributions. Nonelective contributions will not be made after you cease to be a Covered Employee.

Transitional Employer Contributions

You are eligible to have transitional employer contributions made to your account if you meet the following eligibility requirements:

(1) you were a Covered Employee under the 401(k) Plan on January 1, 2017, but not an Employee of J.W. Harris, Co., Inc., Smart Force, LLC, or the Seal Seat division of Lincoln Global, Inc., and

(2) either (i) you were accruing a benefit under The Lincoln Electric Company Retirement Annuity Program immediately prior to December 31, 2016, the date that benefit accruals were frozen under that Program, or (ii) you were an FSP Plus Participant employed by Kaliburn, Inc. on December 31, 2016 and your Years of Vesting Service under the 401(k) Plan include periods of service with ITT Corporation or its predecessors prior to January 1, 2006.

Beginning in 2017, if you meet the eligibility requirements, your Employer will make transitional employer contributions to your account -

(1) in the amount of 6% of your total pay if you were accruing a benefit under The Lincoln Electric Company Retirement Annuity Program immediately prior to December 31, 2016, or

(2) in the amount of 3% of your total pay if you were an FSP Plus Participant employed by Kaliburn, Inc. on December 31, 2016 and your Years of Vesting Service under the 401(k) Plan include periods of service with ITT Corporation or its predecessors prior to January 1, 2006.

You will be eligible to receive transitional employer contributions until you cease to be a Covered Employee or until the later of December 31, 2021 or the end of the calendar year in which you complete 30 Years of Vesting Service.

FSP and FSP Plus Contributions

Prior to January 1, 2017, certain employees were eligible to have their Employer make contributions to the 401(k) Plan called FSP contributions or FSP Plus contributions, whether or not they made pre-tax contributions to the 401(k) Plan. If you were eligible to receive FSP contributions the amount contributed was 2% of your base pay. If you were eligible to receive FSP Plus contributions the amount contributed was a percentage of your base pay determined in accordance with the following schedule:

FSP Plus Contributions	
After Vesting Service of…	***Your Employer will Contribute***
1 year	4% of FSP Plus Compensation
5 years	5% of FSP Plus Compensation
10 years	6% of FSP Plus Compensation
15 years	7% of FSP Plus Compensation
20 years	8% of FSP Plus Compensation
25 years	10% of FSP Plus Compensation

If FSP or FSP Plus contributions were made to your 401(k) account they will continue to be held under the 401(k) Plan and will accumulate tax-free until you take the money out of the 401(k) Plan.

Effective January 1, 2017, no employee will be eligible to receive FSP or FSP Plus contributions and no FSP or FSP Plus contributions will be made to the 401(k) Plan for any year after 2016.

Other Contributions--ESOP

If you were a participant in The Lincoln Electric Company ESOP, your ESOP account was transferred into the 401(k) Plan on July 1, 1997. All of your ESOP assets are now a part of your 401(k) account.

Generally, you would have been a participant in the ESOP if you were employed between the end of 1988 and 1992 and met the eligibility requirements of the ESOP.

VESTING

Vesting represents your ownership interest in your 401(k) account.

You are always 100% vested (have complete ownership) in the following:

- All of your pre-tax contributions (and earnings), including your catch-up contributions.
- All of your matching, nonelective and transitional employer contributions (and earnings).
- All of your prior ESOP contributions (and earnings).
- All of your rollover contributions (and earnings).

If you were an employee of an Employer on January 1, 2017, you were 100% vested in your FSP and FSP Plus contributions (and earnings) on January 1, 2017. If you were not an employee of an Employer on January 1, 2017, you are 100% vested in your FSP and FSP Plus contributions (and earnings) after you have completed three years of Vesting Service. If you reach age 60 (normal retirement age) while an employee, become disabled or die as an active employee or while performing military service before you have completed three years of Vesting Service, you will automatically become 100% vested in your FSP and FSP Plus contributions (and earnings).

For purposes of the 401(k) Plan, you are considered disabled if you are eligible for and receive disability insurance benefits under the Federal Social Security Act.

Vesting Service is the total of your periods of employment with your Employer and affiliated companies, computed from your date of hire with your Employer or an affiliated company to the date your employment terminates. 365 days of employment equals one year of service. If your employment terminates and you are rehired within 12 months, the period you were gone will count as service. If you are on leave, the period you were gone may be counted as Vesting Service depending upon the reason for the leave and the length of time of the leave. For example, maternity leaves (including leaves in connection with adoption of a child) of less than 24 months are counted as Vesting Service. No service with Vernon Tool Co., LTD prior to November 30, 2007 will be counted as Vesting Service under the 401(k) Plan.

Break in Service

If you terminate employment and do not perform one hour of service for your Employer or an affiliated company during the 12-month period following your termination, you will have a one-year break in service for that year and each additional 12-month period that you do not perform one hour of service.

An hour of service is each hour for which you are paid or entitled to payment by an affiliated Company.

If you were not vested when you terminated employment and are rehired before you have five consecutive one-year breaks in service, your prior years of Vesting Service will be restored upon your rehire. If you were not vested when you terminated employment and are rehired after having five or more consecutive one-year breaks in service, your prior years of Vesting Service will not be restored.

If you left the Company or an affiliated company before you were vested, you forfeited the contributions made to your 401(k) account that were not 100% vested. If you are rehired, the amount you previously forfeited will generally be reinstated if you are rehired before you have had five consecutive one-year breaks in service and either (i) you are rehired before you received a distribution of your vested account balance, or (ii) you are rehired after you have received a lump sum payment of your vested account balance and you repay the amount of that lump sum payment before a specified date. In either case, the forfeited amount that is reinstated will not be adjusted for gains or losses.

If you leave your Employer or an affiliated company after you are vested, you will be entitled to receive your entire account balance

INVESTMENTS

The contributions made to the 401(k) Plan are held in trust by Fidelity Investments. Under the 401(k) Plan, you direct the investment of those contributions.

It is important for you to have a financial plan in place when you determine how you want your contributions invested. For information on 401(k) investing and on the specific investment options available under the 401(k) Plan, refer to the Fidelity enrollment materials and the Fidelity website. You may also call the Fidelity Retirement Benefits Line at 1-800-835-5095.

Once you determine your investment plan, you can select from the available investment options. You may invest your contributions in 1% increments in any combination of the available investment funds. Your investment selections must total 100%.

If we don't have an investment election on file for you, your account will be invested in a default target retirement date investment fund selected by the Company based on your date of birth – which would be one of the Vanguard Target Retirement funds (see below).

Target Date Funds		
If your birth date is between	Fund Name	Target Retirement Years
01/01/1900-12/31/1942	Vanguard Target Retirement Income Fund	Retired Before 2008
01/01/1943-12/31/1947	Vanguard Target Retirement 2010 Fund	2008-2012
01/01/1948-12/31/1952	Vanguard Target Retirement 2015 Fund	2010-2019
01/01/1953-12/31/1957	Vanguard Target Retirement 2020 Fund	2018-2022
01/01/1958-12/31/1962	Vanguard Target Retirement 2025 Fund	2020-2029
01/01/1963-12/31/1967	Vanguard Target Retirement 2030 Fund	2028-2032
01/01/1968-12/31/1972	Vanguard Target Retirement 2035 Fund	2030-2039
01/01/1973-12/31/1977	Vanguard Target Retirement 2040 Fund	2038-2042
01/01/1978-12/31/1982	Vanguard Target Retirement 2045 Fund	2040-2049
01/01/1983-12/31/1987	Vanguard Target Retirement 2050 Fund	2048-2053
01/01/1988-12/31/1992	Vanguard Target Retirement 2055 Fund	2053-2057
01/01/1993 and later	Vanguard Target Retirement 2060 Fund	2058 and beyond

What are my investment options?

The Company offers numerous professionally-managed investment options. Each investment fund invests in securities of a single asset class, like stocks, bonds, and stable value investments, or a combination of securities in several asset classes. Each investment fund has its own risk/return profile. When determining your mix of investments, remember that all investments involve some risk, including the risk of loss of principal (money). The Fidelity enrollment materials provide more information about the investment funds and their relative risk/return profile. This information can be obtained by contacting Fidelity directly.

One of the available investment fund options is the Lincoln Electric Holdings, Inc. Stock Fund. This fund invests exclusively in Lincoln Electric Holdings, Inc. Common Shares (Lincoln stock) and cash equivalents. By investing in this fund, you are purchasing an ownership interest in Lincoln Electric. Since this fund will be invested exclusively in Lincoln stock, fluctuation in value could be greater than with a diversified portfolio of stocks. In making your decision, you also may want to consider your exposure to changes in the market value of Lincoln stock in other accounts you may own.

You will receive a Prospectus with respect to the 401(k) Plan's investment in Lincoln stock.

You may also have the option of transferring a portion of your 401(k) Plan account to a self-directed investment account. The self-directed investment account option (BrokerageLink®) allows you to pick your own investments from any investments generally available in the marketplace. However, there are certain types of investments that are not permitted to be made under a self-directed investment account, including investment in Lincoln stock. You may only transfer up to 50% of your vested account under the 401(k) Plan into a self-directed investment account and in order to establish a self-directed investment account you must transfer a minimum of $2,500.00. For more information on this option and applicable restrictions log on to Fidelity NetBenefits℠ at www.401k.com or call The Fidelity Retirement Benefits Line at 800-835-5095.

How do I make my investment elections?

When you enroll in the 401(k) Plan, you will be asked to specify how you want your contributions invested.

Once you begin participating, you may change your investment elections by logging on to Fidelity NetBenefits℠ at www.401k.com or calling The Fidelity Retirement Benefits Line at 800-835-5095. Investment choices must be made in 1% increments (and must total 100%).

How will I know how my investments are doing?

To find out how your investments are performing, you can log on to Fidelity NetBenefits℠ at www.401k.com or call the Fidelity Retirement Benefits Line at 800-835-5095.

In addition, you will receive a quarterly statement (as of March 31, June 30, September 30, and December 31), that will provide a summary of the activity during the prior quarter for each investment fund.

Finally, you can request a fund prospectus or a fund fact sheet (a summary of the fund) by downloading it from Fidelity NetBenefits℠ at www.401k.com or calling The Fidelity Retirement Benefits Line.

How are my investments reported?

Your interest in each fund is expressed in shares or units. When you contact Fidelity, you will hear the number of shares or units you hold in each fund, the price per share or unit and the total dollar value of each fund. This is the same way your funds will be reported on your quarterly statements.

Your account and each investment are valued on a daily basis.

How do I decide how to invest my money?

When you decide to participate in the 401(k) Plan, you will receive information about each investment fund. You are responsible for selecting the mix of funds that is appropriate for your personal retirement goals.

When thinking about how to invest your account, there are tools available to help you during your decision-making process.

You can obtain additional information on each investment fund and the related fees and expenses by logging on to Fidelity NetBenefits℠ at www.401k.com or by calling the Fidelity Retirement Benefits Line at 800-835-5095.

In addition to the material provided to you from time to time by the Company and Fidelity regarding the investment fund options, you have the right to request the following additional information:

- Copies of prospectuses for investment funds registered under either the Securities Act of 1933 or the Investment Company Act of 1940, or similar documents relating to other investment funds that are not registered under either of the Acts.

- Copies of any financial statements or reports and of any other similar materials relating to an investment fund, to the extent these materials are provided to the Plan.

- A list of the assets comprising the portfolio of an investment fund that contains Plan assets (as defined by Department of Labor regulations) and the value of each asset (or the proportion of the investment fund that it comprises).

- To the extent not otherwise provided, a statement of the value of a share or unit of each investment fund, as well as the date of valuation.

Requests for this information should be addressed to the Investment Committee for the 401(k) Plan, c/o The Lincoln Electric Company, 22801 St. Clair Avenue, Cleveland, OH 44117-1199.

How do I change my investments?

There are two ways to change the investments in your account: you may change your existing account balance or you may change your future contributions. You also may change both, but you must make two separate elections.

Investment changes can be made by logging on to Fidelity NetBenefits℠ at www.401k.com or by calling The Fidelity Retirement Benefits Line at 800-835-5095. Representatives are available between the hours of 8:30 a.m. and 8:00 p.m. within your time zone any day the New York Stock Exchange is open.

If changes are done over the phone, a written confirmation of your investment change will be mailed to your home within five business days. If changes are done through NetBenefits℠, you can download a confirmation or request an email confirmation.

Be aware that there is an excessive trading policy with respect to the 401(k) Plan. Participants are limited to one roundtrip (exchange in and out) transaction in a fund within any rolling 90-day period, subject to an overall limit of four roundtrip exchange transactions in a fund over a rolling 12-month period.

Whenever you request a change in your investments, whether it's for your existing balance, your future contributions or both, your investment changes will apply to all types of contributions held in your account.

When do my investments actually change?

If you request a change in your investments before 4pm (EST) on any business day, generally, your investment request will be executed that day and you will receive that day's closing price. If your request is made after the market closes or on weekends or holidays, you will receive the next business day's closing price. In unusual cases, there may be a delay in settling Lincoln Stock Fund trades.

How are my matching and ESOP contributions invested?

Previously, matching and ESOP contributions could be invested only in Lincoln stock. Since January 1, 1998, you may elect to invest those amounts in any of the available funds.

<u>Investment Responsibility</u>

The 401(k) Plan is intended to constitute an "ERISA Section 404(c) Plan" that satisfies the Department of Labor regulations Section 2550.404c-1. This means that you are given the opportunity to direct the investment of your account under the 401(k) Plan. To the extent that the 401(k) Plan satisfies the requirements of Section 404(c) and the related regulations, the Investment Committee and all other plan fiduciaries are relieved of any liability for any losses to your account that are the direct and necessary result of your investment direction. Your investment elections are kept confidential by the Trustee and a limited number of Company employees. The Investment Committee is responsible for monitoring compliance with the established confidentiality procedures. If you have any questions regarding the 401(k) Plan's confidentiality procedures, contact the Human Resources Benefits Team.

The Dividend Payment Option

Currently, Lincoln pays a quarterly dividend to all Lincoln Electric Holdings, Inc. shareholders of record on the dividend record date. The 401(k) Plan is regarded as the shareholder of record for all 401(k) Plan participants.

With the Dividend Payment Option, 401(k) Plan participants invested in the Lincoln Electric Holdings, Inc. Stock Fund have the option to:

(i) receive their vested Lincoln stock dividends as a cash payment, or

(ii) continue automatically reinvesting their quarterly Lincoln stock dividends in the 401(k) Plan's Lincoln Electric Holdings, Inc. Stock Fund.

Who is eligible to participate in the 401(k) Plan's Dividend Payment Option?

401(k) Plan participants who are fully vested in their shares of Lincoln stock are eligible to make an election on the dividends paid.

Does the Dividend Payment Option apply to all Dividends?

No. The Dividend Payment Option will apply only to vested dividends paid starting in 2002. "Vested" means that you have "ownership." You must have ownership of the shares invested in the Lincoln Electric Holdings, Inc. Stock Fund on which the dividends are paid in order to be eligible to receive the cash payment option. Dividends paid on non-vested shares will automatically be reinvested in the Plan's Lincoln Electric Holdings, Inc. Stock Fund.

How do I know if I'm entitled to a dividend?

All participants, regardless of vested status, who have money invested in the 401(k) Plan's Lincoln Electric Holdings, Inc. Stock Fund on the *day prior* to the Ex-dividend Date are entitled to a dividend. (The Ex-Dividend Date is 2-3 business days prior to the record date. When a company's board of directors approves a dividend payment, it also designates the payment date and the record date. Because most trades settle three days after the trade date, a person must purchase the stock at least three business days before the record date to qualify for the dividend.) For example, for dividend payments scheduled for July 15th and a record date of June 30th, you would need to be invested in the Lincoln Stock Fund by June 24th (the day before the Ex-Dividend Date).

What do I need to do if I would like to continue to have my Lincoln stock dividends reinvested in the 401(k) Plan?

If you would like to continue to have your Lincoln stock dividends automatically reinvested in the 401(k) Plan, you do not need to do anything. Your dividends, whether they are fully vested or non-vested, will continue to be reinvested in the 401(k) Plan's Lincoln Electric Holdings, Inc. Stock Fund. All dividends that are automatically reinvested, whether they are fully vested or non-vested, will now appear as additional shares in your Lincoln Electric Holdings, Inc. Stock Fund.

What do I need to do to receive my vested Lincoln stock dividends as a cash payment?

You will need to make a dividend election by calling the Fidelity Retirement Benefits Line at 1-800-835-5095, or by logging onto NetBenefits[SM] at www.401k.com. Follow the instructions for changing an election.

Within two weeks following each quarter's dividend payment date, the dividend check for your vested dividend amount that you elected to receive will be mailed automatically to your home address. To update your address, active employees should log onto www.lincolnconnect.com and others should contact the Human Resources Benefits Team.

What is the deadline for submitting my dividend payment selection?

You must submit your election no later than 4:00 p.m. EST on the 10th business day prior to the pay date of the dividends.

Can I receive part of my Lincoln stock dividends in cash and reinvest the rest in the 401(k) Plan?

No. The election that you make applies to the entire vested portion of your Lincoln stock dividend. If you have additional dividend amounts allocated to your account that are non-vested, they will be automatically reinvested in the Lincoln Electric Holdings, Inc. Stock Fund.

Does my initial dividend payment decision apply to all future dividend payments?

Once you have made your dividend payment election, it will remain in effect for all future vested dividend payments unless you change your election. You may change your decision of “how” to receive your Lincoln stock dividends under the 401(k) Plan on a quarterly basis.

Does my dividend payment decision impact other 401(k) Plan features?

Yes. Qualifying participants who are applying for a hardship withdrawal must elect (if then eligible) to have their dividends paid in cash prior to receiving the hardship withdrawal.

If I elect to receive my dividend payment in cash, and then change my mind, can I deposit it back into the 401(k) Plan?

No. Once a dividend is paid to you in cash, it cannot be returned to the 401(k) Plan. If you are unsure which option is best for you, you may want to speak with a tax advisor before submitting your election.

LOANS

The 401(k) Plan is designed to assist you in saving for retirement. However, there are times when you need to access your money while you are still working. You can do this by taking a 401(k) loan.

If you choose to take a loan, there is a $35 processing fee when your loan is activated and a quarterly maintenance fee of $3.75 for as long as the loan remains outstanding. These fees will be deducted from your account under the 401(k) Plan. You must be a current employee (and not on disability) to take a loan.

You may borrow up to 50% of your vested account balance, or $50,000, whichever is less. However, if you have outstanding loan(s), you cannot borrow more than $50,000 *minus* the excess (if any) of the highest outstanding loan balance during the last 12 months over the outstanding balance of such other loan(s) on the date on which the loan is made. The minimum loan amount is $1,000.

The money for your loan will be taken out of your vested account from your rollover, pre-tax, matching, nonelective, transitional, ESOP, FSP and FSP Plus contributions in that order. Your investments will be sold to cover the amount of the loan. Money is taken out of your investment funds in proportion to your balances in each fund.

You will repay the loan, with interest, using after-tax dollars. Loan repayments automatically are deducted from your paycheck. Repayments are deposited back into your 401(k) account, based on your then current investment elections. You may repay the entire remaining balance of your loan at any time, without penalty.

Loans must be repaid within five years. However, if the loan is for the purchase of a primary residence, the repayment period may be up 15 years.

How do I request a loan from my account?

You may request a Loan Application by logging on to Fidelity NetBenefits℠ at www.401k.com or calling The Fidelity Retirement Benefits Line at 800-835-5095. The application will be mailed to your home the following business day.

You must then complete the Loan Application, authorizing the use of your 401(k) account as security for your loan, and return the application directly to Fidelity for approval.

When approved, Fidelity will prepare your loan agreement and Promissory Note, liquidate your account, and prepare your loan check.

How long will it take to get my loan?

After Fidelity approves your loan, it will take approximately 7-14 days to receive your funds.

How many loans can I have at one time?

You may have up to three loans outstanding at a time.

Do I pay interest on the loan?

Yes. The interest rate is determined by the Administrative Committee and may be changed from time to time with respect to future loans. Currently, the interest rate set by the Administrative Committee is 1% above the current prime rate. The interest rate for a loan is fixed for the term of the loan. The interest you pay, like the loan principal, is returned to your account – thus, you are paying the interest to yourself.

How can I determine what my loan payments will be?

If you want to see how a new loan will affect your paycheck, you may log on to Fidelity NetBenefits℠ at www.401k.com or call The Fidelity Retirement Benefits Line at 800-835-5095 to go over different repayment alternatives.

If I take vacation in advance, will loan repayments be taken out?

Yes. Since vacation is a part of your base pay, loan repayments must be taken out of that check.

What happens if I go on an unpaid leave of absence?

If you take an unpaid leave of absence while you have an outstanding loan, you will have two options:

1. You may continue to make payments on your loan while you are on leave of absence, by mailing a certified check each month to Fidelity. This will allow you to stay current on your loan and will not require you to double-up on payments when you return from work. Include a letter of instructions along with your check with the following information: your name, Social Security number, the Plan number 21022 and loan ID number.
2. If your leave of absence is for a year or less, you may defer repayments on your loan while you are on leave. However, when you return, your loan will be re-amortized over the remaining term of the loan.

What happens to my loan if I leave Lincoln?

If you leave or retire from the Company or any affiliated company and have an outstanding loan balance, you have three options:

1. Repay the outstanding loan in full.
2. Request a distribution from the 401(k) Plan. The amount of your distribution will be reduced by your outstanding loan balance (but you will be taxed on the entire amount).
3. Continue making repayments to Fidelity. Be sure to include a letter of instructions along with your certified check with the following information: your name, Social Security number, Plan number 21022 and loan ID number.

What happens if I default on my loan?

If you stop making repayments on your loan within the time required, your loan will be in default. Your loan will be considered a taxable distribution and you will have to pay income tax on the default amount. You also may be liable for a 10% income tax surcharge. After that, until the loan is satisfied, interest will continue to accrue on the principal amount. You will not be eligible to obtain another loan from the Plan until the defaulted loan has been paid back to the Plan.

DISTRIBUTIONS AND WITHDRAWALS

When you leave your Employer and its affiliates – by retirement, termination or death – you have several options on how and when to take the vested money in your 401(k) account. If you are still an employee, you may withdraw from your 401(k) account if you are over age 59 ½, disabled or have a financial hardship. At any time, you may withdraw any rollover contributions held in your 401(k) account.

Distributions on Termination of Employment

You are eligible for a distribution of your vested account balance after you retire or terminate your employment with your Employer its affiliates. When you are ready to receive a distribution of your account, you can select to receive it in one of two ways:

1. You may have the entire amount paid to you in one lump sum.
2. You may have your account paid to you in annual installments for up to 10 years.

If the value of your account is less than $1,000, your benefits will automatically be paid to you in one lump sum.

For those amounts invested in the Lincoln Electric Holding, Inc. Stock Fund, you may receive your distribution in whole shares (with fractional shares paid in cash) or all in cash. Distribution of all other amounts under the 401(k) Plan will be made in cash.

When you request a distribution, you will be given the option of receiving it directly or rolling it (or any portion of it that is at least $500) over to another employer's plan or to an IRA.

- If you receive the money directly, you will have to pay tax on the distribution. The money you receive will be subject to mandatory 20% federal income tax withholding. In addition, if you terminate employment and take a distribution before you reach age 55, you will be subject to an additional 10% penalty on your distribution.
- If you elect to roll over your distribution, you will not pay tax on the distribution (until you receive it from the other plan or IRA), there will be no income tax withholding and you will not be subject to the 10% penalty. In addition, your earnings on your account will continue to grow tax-free until you ultimately take a distribution.

How do I request a distribution from my account?

You can obtain a Distribution Request Form by logging on to Fidelity NetBenefits℠ at www.401k.com or calling The Fidelity Retirement Benefits Line at 800 835-5095. This form, along with the required tax notice explaining the tax consequences of a distribution, will be mailed to your home the following business day.

Once you complete the Distribution Request Form, return it to Fidelity. The distribution will be issued as soon as administratively feasible.

Can I leave my money in the account after I leave Lincoln?

Yes. If the value of your account is greater than $1,000, you may leave the money in your 401(k) account. You will continue to be able to transfer from one investment fund to another through Fidelity.

By law, you must begin to withdraw your account balance by the April 1st following the later of (i) the year in which you reach age 70½, or (ii) the calendar year in which you terminate employment.

When I retire, will the money I withdraw from my 401(k) account reduce the amount of my Social Security income?

No. Currently, the amount you withdraw from the 401(k) Plan does not reduce your Social Security income.

If I request annual payments and later want to take the remaining balance in a lump sum, may I do so?

Yes. Contact Fidelity to request another Distribution Request Form.

Distributions While Serving in the Military

If you are an employee who is on active duty in the military for a period of more than 30 days, you may elect to receive a distribution of all or a portion of your pre-tax contributions made under the Plan. If you receive such a distribution, your pre-tax contributions will be suspended for a period of 6 months beginning on the date of distribution.

Also, if you are an employee who is ordered or called to active duty, you may elect to receive a "qualified reservist distribution." A "qualified reservist distribution" is a distribution that meets the following conditions: (i) the distribution is from amounts attributable to your pre-tax contributions; (ii) you were, by reason of being a member of a reserve component of the military, ordered or called to active duty for a period in excess of 179 days or for an indefinite period; and (iii) the distribution is made during the period beginning on the date of the order or call, and ending at the close of your active duty period.

Contact Fidelity to receive the necessary form to request one of these types of distributions.

Distributions on Death

If you die while you are an employee of your Employer or an affiliated company, your entire account balance will be paid to your beneficiary in a lump sum after your beneficiary submits a Distribution Request Form. If your beneficiary is your spouse, distribution must be made by the date you would have reached age 70½ (had you continued living). If your beneficiary is not your spouse, distribution must be made within a year of your death.

If you die after your employment has terminated and before your entire vested account has been distributed from the 401(k) Plan, your distribution will continue to be paid to your beneficiary in the same manner as it was being paid to you before your death (if your account was already in pay status) or, if your beneficiary so elects, in a lump sum.

How do I select my beneficiary?

You can select your beneficiary by completing a Beneficiary Designation Form, which is available on-line at Fidelity NetBenefits℠ www.401k.com or by calling The Fidelity Retirement Benefits Line at 800-835-5095. If you are married, your spouse will automatically be your beneficiary, unless he/she consents to your selection of another beneficiary. Your spouse's consent must be notarized. Fidelity will mail you a form for this purpose. If you are not married and have not completed a Beneficiary Designation Form, your beneficiary will be your estate.

How will Lincoln Electric know if I get married or divorced?

If your marital status should change, please contact the Human Resources Benefits Team. All employees are responsible for keeping their Beneficiary information current.

Hardship Withdrawals

You may be able to take a withdrawal from your 401(k) account while you are still employed by your Employer or an affiliate if you have a financial hardship. Hardship withdrawals may be taken from your rollover, pre-tax, matching, transitional and ESOP contributions (in that order).

Current IRS regulations define financial hardship as an immediate and heavy financial need for which resources are not otherwise available.

Financial hardships are limited to:

- purchase of a principal residence (excluding mortgage payments).

- college tuition, related educational fees and room and board expenses for you, your spouse, your children or your dependents for the next 12 months.
- payments to prevent eviction from or foreclosure on your principal residence (but not simply to pay overdue amounts).
- medical expenses for you, your spouse or your dependents that are not reimbursed by insurance or otherwise.
- burial or funeral expenses for your deceased parent, spouse, children or dependents.
- expenses for the repair of damage to your principal residence that would qualify for a casualty deduction under the Internal Revenue Code.

In order to take a hardship withdrawal, you must first have tried to satisfy your hardship by taking out all available loans from the 401(k) Plan and you must have elected (if eligible) to have the dividends on any Lincoln stock in your vested account distributed to you under the Dividend Payment Option. Only if those amounts are not sufficient, can you receive a hardship withdrawal.

If you take a hardship withdrawal, you will not be able to make pre-tax contributions (or receive any Employer match) for 6 months after the hardship withdrawal. You will need to make an election to resume your pre-tax employee contributions. To apply for a hardship withdrawal, contact Fidelity for the necessary forms. You will need to provide evidence of the existence of the hardship and of the amount of the hardship.

Hardship withdrawals are subject to IRS regulations which may change from time to time. The 401(k) Plan will adhere to all IRS rules in administering the hardship withdrawal provisions.

Will I owe taxes if I take a hardship withdrawal?

Yes. You will pay ordinary income tax on the amount you withdraw. In addition, if you are under age 59½, the IRS will also impose a 10% tax penalty.

Other Withdrawals

If you are an employee and are at least age 59 ½ or become disabled, you may withdraw all or a part of your vested 401(k) account. These withdrawals will be taken from your rollover, pre-tax, matching, nonelective, transitional, FSP, FSP Plus and ESOP contributions (in that order).

At any time, you may withdraw all or a part of your rollover contributions while you are an employee.

To apply for a withdrawal, contact Fidelity for the necessary forms.

Will I owe taxes if I take a withdrawal of my rollover contributions or a withdrawal after age 59 ½ or disability?

Yes. You will pay ordinary income tax on the amount you withdraw, but the IRS will not impose a 10% penalty if you are at least age 59 ½ or disabled at the time of the withdrawal.

MISCELLANEOUS

NetBenefits[SM]

NetBenefits[SM] at www.401k.com is the Fidelity on-line system that provides fast and easy access to your account information, 24 hours a day, 7 days a week. By logging on to www.401k.com Fidelity will:

- Provide you with personal account information such as account balances and amount available for withdrawal.
- Assist you in changing the mix of your investments.
- Provide loan information and modeling.
- Provide access to mutual fund prospectus.
- Assist you in creating or resetting you Personal Identification Number (PIN). You may remove your Social Security number as your Customer ID number.

The Fidelity Retirement Benefits Line

The Fidelity Retirement Benefits Line (1-800-835-5095) will provide you with the same services as NetBenefits[SM]. You may use the automated system 24 hours a day, 7 days a week. Customer service representatives are available between the hours of 8:30 a.m. and 8:00 p.m. within your time zone. A written confirmation of all phone line transactions will be mailed to your home address within five business days.

What is my Personal Identification Number (PIN)?

Your PIN is a Personal Identification Number created by you after your account is set up with Fidelity. You must know your PIN to access your account information from NetBenefits[SM] or the phone line.

What if I lose or want to change my PIN?

If you lose or want to change your PIN, you may log on to www.401k.com or call the Fidelity Retirement Benefits Line at 800-835-5095 between the hours of 8:30 a.m. and 8:00 p.m. (within your time zone) and speak with a customer service representative. You will be required to supply your Social Security or customer ID number. You will then be asked the questions that you answered when you set up your PIN initially. Once you answer those questions, you will be able to change your PIN. A letter will then be sent to the address on file confirming a change has been made.

Do I have to use my Social Security number?

Initially your account is set up with your Social Security number. You have the option to change it to a customer ID number of your choice. You can do this by contacting Fidelity.

Income Taxes

The 401(k) Plan offers you tax savings, but, as we all know, taxes cannot be avoided forever. Under the current tax law, you can postpone taxes and, in some cases, reduce your taxes.

The tax laws are complex and change quite often. The following information is meant to be only a general guide of the current federal tax law.

Your contributions and all earnings grow on a tax-deferred basis while they remain in the 401(k) Plan. When you or your beneficiary receives any money from the 401(k) Plan (other than for a plan loan), taxes will be due at that time.

Before you receive a distribution, you will receive information regarding the tax treatment and an opportunity to elect a direct rollover to an IRA or another employer's plan. If you elect a direct rollover of all or a portion of your distribution, you can postpone paying taxes until you take the money out of the IRA or other employer's plan. If you do not elect a direct rollover, the taxable amount of your distribution will be subject to a mandatory 20% federal income tax withholding.

The portion of any taxable payment that you receive from the 401(k) Plan (including hardship withdrawals) that is not rolled over into an IRA or other employer's plan may be subject to an additional 10% federal income tax penalty if the payment is made before you reach age 59½. In general, this additional tax will not apply if the payment is made on account of your death or disability or your termination of employment after age 55.

We suggest that you consult a qualified tax advisor before you receive money from the 401(k) Plan in order to determine what is best for you and the impact of current tax law on your particular situation.

Fees

The Company will be responsible for the general administrative fees associated with the 401(k) Plan. Participants will be responsible for loan fees as described in the "Loan" section of this document.

The investment funds, however, have management and administrative fees that are taken out at the fund level (prior to any returns credited to your account). Information on these fees is available in the prospectus for each fund and on the Fidelity website.

Loss of Benefit

Any of the following reasons could cause you, or your beneficiary, to lose an anticipated benefit:

- If your employment terminates before meeting the vesting requirements, you could lose FSP or FSP Plus contributions that have been made on your behalf.
- Following divorce, under a "qualified domestic relations order", you may lose a portion or all of your benefit to your former spouse or to your children.
- The value of your account balance may decrease depending upon the performance of the investment funds in which your account is invested.
- The application of special Internal Revenue Code rules may limit your benefits under the 401(k) Plan.

Lincoln Electric Holdings, Inc. Stock

Before each annual or special meeting of its shareholders, the Company will cause to be sent to each participant or beneficiary under the 401(k) Plan who has an interest in the Lincoln Electric Holdings, Inc. Stock Fund a copy of the proxy solicitation material and a form requesting confidential instructions on how to vote the Lincoln stock allocated to such participant's or beneficiary's account. The Trustee will vote the shares as instructed. If instructions are not received for any shares of Lincoln stock held in a participant's or beneficiary's account, those shares will not be voted.

In the event of a tender offer for shares of Lincoln stock, the Administrative Committee will cause to be sent to each participant or beneficiary under the 401(k) Plan who has an interest in the Lincoln Electric Holdings, Inc. Stock Fund all pertinent information with respect to such offer, including all the terms and conditions thereof, together with a form pursuant to which each such participant or beneficiary may direct the Trustee to tender or sell pursuant to the offer all or part of his or her shares of stock held in the Lincoln Electric Holdings, Inc, Stock Fund. The Trustee will tender or sell only those shares of stock to which valid and timely directions are received.

Your instructions regarding the voting or tender of Lincoln stock will be received by the Trustee, not the Company. Your individual instructions will be kept confidential by the Trustee.

You will not be entitled to direct the Trustee on the exercise of any voting, tender or similar rights with respect to any other investment fund.

ADMINISTRATION

Plan Administration

The Lincoln Electric Company is the administrator of the 401(k) Plan. However, the Company has delegated most of the administrative duties to an Administrative Committee selected by the Board of Directors. The Administrative Committee can also employ attorneys, agents, administrators and/or accountants to assist in carrying out these duties.

The Administrative Committee makes the rules and regulations necessary for the day-to-day operation of the 401(k) Plan. The Administrative Committee has the sole authority and discretion to interpret and construe the terms of the 401(k) Plan. The Administrative Committee is required to ensure that the 401(k) Plan provisions are administered in a uniform and nondiscriminatory way.

In addition, the Board of Directors of the Company has appointed an Investment Committee. The Investment Committee is responsible for selecting the investment funds that are made available under the 401(k) Plan and for designating the person or persons that will have investment authority over the assets of the investment funds.

Filing a Claim for Benefits

If you wish to file a claim for benefits under the 401(k) Plan, you need to submit your request to Fidelity Investments. If you are requesting a distribution, you will need to complete a Distribution Request Form.

APPEALING A DENIED CLAIM

If you make a claim for benefits under the 401(k) Plan, and all or part of your claim is denied, the Administrative Committee will cause written notice to be mailed to you of the total or partial denial of your claim (within 90 days after the claim is filed, plus an additional period of 90 days if the Administrative Committee determines that special circumstances require an extension of time for processing the claim and if written notice of the additional 90-day extension of time, indicating the specific circumstances requiring the extension and the date by which a decision will be rendered, is given within the first 90-day period). The notice will (1) state the specific reason(s) for the denial of the claim, (2) make specific reference(s) to pertinent provisions of the 401(k) Plan and/or trust agreement on which the denial of the claim was based, (3) contain a description of any additional material or information necessary for you to perfect the claim and an explanation of why the material or information is necessary, and (4) contain a description of the 401(k) Plan's review procedure (described below) including the time limits applicable to the procedure and a statement of your right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

REVIEW PROCEDURE

Within six months after receipt of the notice of denial, you or your duly authorized representative may appeal the denial by filing with the Administrative Committee your written request for a review of the denied claim. If you do not file such a request with the Administrative Committee within the six month period, the denial of your claim will be final and binding. If a request is filed within the six month period, a named fiduciary designated by the Company will conduct a full and fair review of your claim. During the review of your claim, you will be provided with the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits, and reasonable access to and copies of, upon request and free of charge, all documents, records, and other information relevant to your claim for benefits. In addition, the review of your claim will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial decision. The Administrative Committee will mail or deliver to you written notice of the named fiduciary's decision within a reasonable period of time, but not later than 60 days after the receipt of the request for review unless special circumstances require an extension of time for processing. If the Administrative Committee determines that an extension of time for processing is required, written notice of the extension will be furnished to you setting forth the special circumstances requiring an extension of time and the date by which the named fiduciary expects to render a decision, and will be furnished prior to the termination of the initial 60 day period. In no event will the extension exceed a period of 60 days from the end of the initial period. In the case of an adverse decision on review, the notice of decision will (a) state the specific reason(s) for the decision, (b) make specific reference(s) to pertinent provisions of the 401(k) Plan and/or trust agreement on which the decision is based, (c) contain a statement that you are entitled to receive, upon request, and free of change, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits and (d) contain a statement describing any voluntary appeal procedures offered by the 401(k) Plan including your right to bring an action under section 502(a) of ERISA. To the extent permitted by applicable law, the decision on review will be final and binding on all interested persons.

Amendment of the 401(k) Plan

The Lincoln Electric Company reserves the right to change, modify or discontinue the 401(k) Plan in whole or in part at any time. However, The Lincoln Electric Company has established the 401(k) Plan for the exclusive benefit of its employees and hopes and expects to continue it.

In the event of a termination of the 401(k) Plan, the accounts of all participants under the 401(k) Plan will become 100% vested and nonforfeitable.

Assignment of Benefits, Qualified Domestic Relations Orders (QDROs)

The 401(k) Plan's purpose is to provide benefits to you (and your beneficiaries). In general, assets held by the 401(k) Plan cannot be used for any other purpose while the 401(k) Plan continues. This applies both to Lincoln and to you, because you cannot assign, transfer or attach your benefits nor use then as collateral for a loan (other than a plan loan).

However, the 401(k) Plan must obey a "Qualified Domestic Relations Order" (QDRO), such as a divorce decree, issued by a court of law. A QDRO requires that a percentage of your benefits be paid to your spouse, former spouse, child or dependent. In order to be "qualified," the court order has to meet certain standards set forth in the law and by the 401(k) Plan administrator. Once your account is split under a QDRO, your former spouse will be entitled to receive a distribution of his/her portion, even though you may not yet be eligible to receive a distribution.

You should understand that the 401(k) Plan must obey the order of the court. You may obtain, without charge, a copy of the 401(k) Plan's QDRO procedures by contacting the Human Resources Benefits Team.

Type of Plan

The 401(k) Plan is a defined contribution plan with a cash or deferred arrangement (401(k)). It is intended to be a qualified profit sharing plan under sections 401(a) and 401(k) of the Internal Revenue Code, although the Company, the Administrative Committee, the Investment Committee and the Trustee do not guarantee its qualified status. Benefits under the 401(k) Plan are not insured by the PBGC. This is because the PBGC does not insure defined contribution plans where the participants' benefits are determined by individual account balances.

YOUR ERISA RIGHTS

THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

As a participant in the 401(k) Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the plan, including a copy of the latest annual report (Form 5500 series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including copies of the latest annual report (Form 5500 series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 60) and, if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file a suit in federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have questions about your plan, you should contact the plan administrator. If you should have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ADMINISTRATION AND OTHER INFORMATION

Plan Name	The Lincoln Electric Company Employee Savings Plan
Plan Sponsor	The Lincoln Electric Company 22801 St. Clair Avenue Cleveland, Ohio 44117-1199 (216) 481-8100
IRS Employer Identification Number (EIN)	34-0359955
Plan Number	005
Trustee	Fidelity Investments P. O. Box 770001 Cincinnati, Ohio 45277
Plan Administrator	The Lincoln Electric Company 22801 St. Clair Avenue Cleveland, Ohio 44117-1199 (216) 481-8100
Type of Administration	Third-Party Administered
Agent for Legal Process	Legal process may be served on the Plan Administrator or the Trustee
Plan Year	January 1 to December 31
Type of Plan and Contributions	Defined Contribution - profit-sharing, 401(k), ERISA section 404(c), with contributions made by employees and the Employers