



March 9, 2020

Changes to The Lincoln Electric Company Retirement Annuity Program: NO IMPACT TO THE VALUE OF YOUR BENEFIT

Dear Plan Participant:

We are writing today to share important information about how retirement benefits under The Lincoln Electric Company Retirement Annuity Program (“the Plan”) will be managed in the future.

As you know, Lincoln Electric has been on a journey to manage Lincoln Electric’s exposure to financial risk while taking steps to protect the security of ongoing benefits to participants. This letter outlines the planned changes and the next step in this process for the Plan.

Here are the highlights:

- Lincoln Electric is planning to transfer the obligation to pay Plan benefits to a highly-rated insurance company which specializes in pension administration. We expect this transition to occur in 2021.
- You will benefit by having access to best-in-class pension services and knowing Lincoln Electric has taken steps to provide you with continued access to a secure retirement benefit.
- The changes outlined in this letter have **no impact** to the value of your accrued Plan benefit, including the RAMP feature (if eligible). The Plan and your future retirement benefit remain well-funded and secure.
- When you are ready to start taking your pension benefit, it will be paid by an insurance company.
- With this change, you will have a limited-time opportunity to elect a lump sum payment (in lieu of any other Plan benefit), which is expected to occur in 2021.
- No action is required now. This letter is for your reference only. More details will be coming in 2021.
- Make sure your current mailing address is on file.

Continue reading to learn more about these upcoming changes.

WHAT’S HAPPENING

You currently have a vested retirement benefit in the Plan. This letter and the enclosed documents provide important information about upcoming changes to the Plan:

- Effective December 31, 2020, Lincoln Electric will begin the process of transferring the management and delivery of Plan benefits to a highly-rated insurance company that specializes in pension administration.
- This means the insurance company will take over the payment of the Plan’s benefits in a manner consistent with the terms of the Plan, and Lincoln Electric will no longer have any financial obligation for those benefits. Applicable Plan assets also will be transferred to the insurance company.

Although the value of your benefit is not affected, this plan transfer process is legally called a “plan termination.” The process involves several regulatory steps and approvals, and typically takes 18 to 24 months to complete. Due to this extended time period, there are no changes in how benefits are administered in the near term. However, you will receive communications during this period, including required regulatory notices, benefit statements, election materials and other Plan information.



WHAT THIS MEANS TO YOU

You will still have the ability to elect to start receiving your pension benefit when you are eligible under the normal provisions of the Plan. Following plan termination, your pension benefits will no longer be paid from the Plan and will instead be paid by the insurance company selected to take over payment of the Plans' benefits. Again, there will be **no impact** on the value of your accrued Plan benefit.

With this change, there will be an **added lump sum payment feature** during a limited election period, which is expected to occur in 2021. At that time, you will have the option to receive your pension benefit as an immediate, single lump sum cash payment, which you can receive:

- Directly in cash, or
- Roll over into another qualified retirement plan (such as The Lincoln Electric Company Employee Savings Plan, if you are an eligible participant) or an Individual Retirement Account (IRA).

If the lump sum cash payment is not rolled over into another qualified retirement plan or an IRA, the cash payment will be subject to income tax withholding and may be subject to a penalty tax for early distribution, depending on your age.

We expect the plan termination to receive regulatory approval in 2021. You will receive an election kit in the mail containing your personalized payment amounts, payment options, and the forms required to make your election. You will receive more information on this election process next year.

WHAT YOU NEED TO DO

You do not need to take any action at this time. We're sharing this information with you so you understand what is happening. We will provide ongoing updates, and in mid-2021, you will receive a detailed notice providing the estimated amount of your Plan benefit.

In the meantime, make sure your current mailing address is on file:

- Current employees: Logon to "HR Linc" via our Global Linc website (<http://globalinc.lincolnelectric.com/pages/default.aspx>) to change your mailing address via employee self service.
- Former employees: Contact Lincoln Electric's Retirement Administrator at (216) 383-2476.

FOR MORE INFORMATION

The enclosed **Notice to Interested Parties** contains a legally required notice in connection with the plan termination. If you have questions after reading these materials, contact the Lincoln Electric Call Center at (216) 383-2476.

We appreciate your understanding as we move through this process, and encourage you to be thoughtful as you consider your benefit payment options. Thank you again for your service to our company.

Sincerely,

The Lincoln Electric Company Retirement Administrator

The Lincoln Electric Company reserves the right to postpone or cancel any of the actions described in this letter. If this happens, you will be notified. The Lincoln Electric Company also reserves the right to amend the Retirement Annuity Program at any time and for any reason, with or without notice to participants. However, by law, your accrued benefit in the Retirement Annuity Program cannot be reduced.

**NOTICE TO INTERESTED PARTIES
THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM (THE "PLAN")**

Date: March 9, 2020

1. This notice is directed to persons who are interested parties with respect to The Lincoln Electric Company Retirement Annuity Program (the "Plan"). Generally, interested parties include all current employees who have accrued benefits under the Plan; former employees with vested accrued benefits under the Plan, all retirees who are currently receiving benefits under the Plan; beneficiaries of deceased former employees who are currently receiving benefits under the Plan [or who have accrued benefits under the Plan but have not yet begun to receive their benefits]; and "alternate payees" under qualified domestic relations orders or "QDROs".

An application is to be made to the Internal Revenue Service for an advance determination with respect to whether the proposed plan termination affects the continuing qualification of the following employee pension benefit plan:

2. Name of Plan: The Lincoln Electric Company Retirement Annuity Program
3. Plan Number: 001
4. Name and Address of Employer: The Lincoln Electric Company
22801 St. Clair Avenue
Cleveland, OH 44117
5. Employer Identification Number: 34-0359955
6. Name and Address of Plan Administrator: The Lincoln Electric Company
22801 St. Clair Avenue
Cleveland, OH 44117

7. The application will be filed on March 19, 2020 for an advance determination as to whether the Plan meets the qualification requirements of § 401(a) of the Internal Revenue Code of 1986, as amended, with respect to the Plan's termination. The application will be filed with:

Internal Revenue Service
Attention: EP Determination Letters
TE/GE Stop 31A Team 105
P.O. Box 12192
Covington, KY 41012-0192

8. The employees eligible to participate in the Plan: Plan participation was closed to all new hires generally effective January 1, 2006 for employees of The Lincoln Electric Company and Welding, Cutting, Tools, & Accessories, LLC, effective May 1, 2013 for employees of the Seal Seat division of Lincoln Global, Inc., and effective January 1, 2017 for other employees of Lincoln Global, Inc. In addition, the Harris Calorific Division Retirement Plan was merged into the Plan effective December 31, 2015. Participation in the Harris Calorific Division Retirement Plan was previously closed to all new hires generally effective May 1, 2007 and all transferees effective September 1, 2007 for employees of J.W. Harris Co., Inc. and Smart Force, LLC. After December 31, 2016, no employees were eligible to participate in the Plan. Further, the Rimrock Group Retirement Plan was merged into the Plan effective December 31, 2019. Participation in the Rimrock Group Retirement Plan was previously closed effective July 1, 2003 for employees of Rimrock Corporation.
9. The Internal Revenue Service has previously issued a determination letter with respect to the qualification of this Plan.

RIGHTS OF INTERESTED PARTIES

10. You have the right to submit to Employer Plans (EP) Determinations, either individually or jointly with other interested parties, your comments as to whether this plan meets the qualification requirements of the Internal Revenue Code. Label your comments "Interested Party Statement." Include the EIN, plan name, and plan number in your correspondence. Also include your contact information (mailing address and phone number). Your comments to EP Determinations may be submitted to:

Internal Revenue Service
EP Determinations
Attn: Customer Service Manager
P.O. Box 2508
Cincinnati, OH 45202

You may instead, individually or jointly with other interested parties, request the Department of Labor to submit, on your behalf, comments to EP Determinations regarding qualification of the Plan. If the Department of Labor declines to comment on all or some of the matters you raise, you may, individually, or jointly if your request was made to the Department of Labor jointly, submit your comments on these matters directly to EP Determinations at the Cincinnati address above.

REQUESTS FOR COMMENTS BY THE DEPARTMENT OF LABOR

11. The Department of Labor may not comment on behalf of interested parties unless requested to do so by the lesser of 10 employees or 10 percent of the employees who qualify as interested parties. The number of persons needed for the Department of Labor to comment with respect to this Plan is 10. If you request the Department of Labor to comment, your request must be in writing and must specify the matters upon which comments are requested, and must also include:

- (1) The information contained in items 2 through 5 of this Notice; and
- (2) The number of persons needed for the Department of Labor to comment.

A request to the Department of Labor to comment should be addressed as follows:

Deputy Assistant Secretary
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210
ATTN: 3001 Comment Request

A request to the Department of Labor to comment on your behalf must be received by April 3, 2020 if you wish to preserve your right to comment on a matter upon which the Department of Labor declines to comment, or by April 13, 2020 if you wish to waive that right.

COMMENTS TO THE INTERNAL REVENUE SERVICE

12. Comments submitted by you to EP Determinations must be in writing and received by May 4, 2020. However, if there are matters that you request the Department of Labor to comment upon on your behalf, and the Department of Labor declines, you may submit comments on these matters to EP Determinations to be received within 15 days from the time the Department of Labor notifies you that it will not comment on a particular matter, or by May 4, 2020, whichever is later, but not after May 18, 2020.

ADDITIONAL INFORMATION

13. Detailed instructions regarding the requirements for notification of interested parties may be found in sections 19 and 20 of Rev. Proc. 2020-4. Additional information concerning this application (including, where applicable, an updated copy of the Plan and related trust; the application for determination; any additional documents dealing with the application that have been submitted to the Service; and copies of section 19 of Rev. Proc. 2020-4) are available upon request at: The Lincoln Electric Company, 22801 St. Clair Avenue, Cleveland, OH 44117-2424, Tel., 216-383-2476, 8:00 a.m. to 5:00 p.m., EST Mon – Fri. (There may be a nominal charge for copying and/or mailing.)