

Questions and Answers about the Termination of The Lincoln Electric Company Retirement Annuity Program (the “Plan”)

1. Why am I receiving an election kit?

The Plan was terminated on December 31, 2020. You are now eligible to make a decision about the payment of your Plan benefit.

2. Do I have to take my pension benefit now?

No. This opportunity is completely voluntary.

3. What happens if I do nothing?

This opportunity is completely voluntary and you only have to take action if you want to receive your benefit now, either as a lump sum or a monthly annuity. If you do not make an election, you will continue to be eligible to receive your vested pension benefit at a later date — generally, any time after you reach your early or normal retirement date as defined by the Plan, or in some circumstances within 6 months following your termination of employment. At that time, you will be able to choose from the payment options that are normally available. You should keep in mind that if you decide to defer payment of your benefit, your eligibility for a lump sum in the future is dependent upon current plan provisions.

4. What do I need to do to elect a lump sum payment?

Mail, fax, or upload your completed Election Kit forms and provide all required paperwork by July 30, 2021. Use the “Lump Sum Election Checklist” included in your Kit to verify that you have taken all actions required.

5. What do I need to do to elect to begin receiving annuity payments now?

Call the Lincoln Electric Pension Plan Transition Call Center at 1-844-389-9663 as soon as possible to request an annuity Election Kit. Complete and mail your annuity Election Kit by July 30, 2021.

6. What is the deadline to elect to receive my pension benefit now?

Your completed Election Kit forms and other required paperwork must be returned via USPS, faxed or uploaded no later than July 30, 2021, in order for you to take advantage of this opportunity.

7. If I elect a lump sum payment by July 30, 2021, when will I receive my check?

You will receive your lump sum payment in September 2021.

8. How will I know you received my completed forms?

You will receive a confirmation statement approximately three weeks after we receive your completed forms.

9. Can I elect a lump sum payment later?

Maybe. Former Rimrock Group Retirement Plan participants and participants who terminated employment more than 6 months ago will not have the opportunity to elect a lump sum later. All other participants will continue to have the opportunity to elect a lump sum under normal Plan rules, provided that payment is made or commences on or before the first day of the month following the 6-month anniversary of their termination of employment. The lump sum will not be available for payment after that date. If you decide not to begin receiving your benefit during this special Plan termination election window, you will continue to be eligible to receive your Plan benefit at a later time. At that time, you will be able to choose from the payment options that are normally available under the Plan.

10. What payment option is best for me?

This is a personal decision, and you should carefully weigh your options based on your own circumstances. Consider:

- Your age, the number of years you have left before you retire, and your need for the money
- Your health and expected length of retirement
- Your financial situation, including your other retirement income sources and anticipated retirement expenses
- Your income tax status
- The impact of inflation on an annuity or a lump sum
- Your ability to control your spending
- Your comfort and confidence in managing and investing your money on your own
- Whether you may want to leave money to your spouse or other heirs

It is entirely up to you as to how you want your Plan benefit paid from the available options. The Lincoln Electric Company cannot advise participants about the relative merits of each payment method or provide investment or financial planning guidance.

We encourage you to discuss the options with your family and consult with personal financial, legal and/or tax advisors.

11. If I elect a lump sum, can I receive it as a rollover into an IRA or other qualified plan?

Yes. Your lump sum payment can be rolled over to an IRA or another employer's qualified retirement plan (for example, a 401(k) plan) that accepts rollover distributions.

You also have the option to roll the proceeds to The Lincoln Electric Company Employee Savings Plan (401(k) Plan) if you are a current employee eligible to participate in the 401(k) Plan or you are a former employee and still have a balance in the 401(k) Plan.

12. Do I need my spouse's consent to elect a lump sum payment?

Yes. If you are married and elect a lump sum payment, your spouse must provide his or her approval by completing Form 3 – Spouse's Waiver of Survivor Annuity. Your spouse MUST sign this form in the presence of a notary.

13. What if I am divorced?

If your divorce included a Qualified Domestic Relations Order (QDRO) that allocates a portion of your Plan benefit to your ex-spouse, you can make an election only for the portion of the Plan benefit that is allocated to you. Follow the instructions on Form 1 – Lump Sum Benefit Election. You can also call the Lincoln Electric Pension Plan Transition Call Center at 1-844-389-9663 to confirm your QDRO was reflected in the amounts shown in this election kit.

14. What government agencies provide assistance with private pensions?

You can review information at the following websites for additional information regarding private pensions:

- www.irs.gov
- www.dol.gov
- www.pbgc.gov

15. What is the role of the PBGC?

The Pension Benefit Guaranty Corporation (PBGC) is a government agency created to make sure that individuals receive their pensions in the event that the Plan or plan sponsor cannot afford to pay benefits that are due. For information about the PBGC and benefit guarantees, go to the PBGC's website, www.pbgc.gov.

16. If I take a lump sum now, can I later buy an annuity with the proceeds?

Yes, if you take a lump sum, you can later use your proceeds to purchase an annuity from an insurer in the open market. However, the annuity you buy on the open market will be different from the annuity you can get from the Plan. The open market annuity will be priced by the insurer and may be less than the annuity offered through the Plan. You should carefully decide between a lump sum and an annuity from the Plan or a commercially available annuity.

17. Can I change my mind?

If you submit your completed forms by July 30, 2021, you can revoke your election until September 1, 2021. You will need to call the Lincoln Electric Pension Plan Transition Call Center at 1-844-389-9663 to do so.

18. What if I have other questions about the offer?

Please contact the Lincoln Electric Pension Plan Transition Call Center at 1-844-389-9663 if you have any other questions about this offer.

19. What are my options?

You may elect to receive a single lump sum payment of your Plan benefit or a monthly annuity commencing in September, or you may elect to defer your benefit until a later date when you are eligible to receive your benefit under the Plan's terms.

20. What do I need to do to defer payment of my benefit?

You may elect to defer your benefit by calling the Lincoln Electric Pension Plan Transition Call Center at 1-844-389-9663. Keep in mind that your benefit payments will be deferred automatically if you do not elect an immediate lump sum or immediate annuity.

21. If I make a valid election to receive an annuity payment by July 30, 2021, when will I start receiving my annuity payments?

You will start receiving your annuity payments in September 2021.

22. Will my benefit be protected by the PBGC if I elect an immediate lump sum payment?

If you elect an immediate lump sum payment, your benefit will no longer be protected by the PBGC since you will have received the entire amount due to you.

23. Will my benefit be protected if it is transferred to an insurer?

If you choose to receive an immediate annuity or defer payment of your benefit, responsibility for paying your benefit will be transferred to an insurer through the purchase of a group annuity contract by the Plan. Once the Plan purchases the group annuity contract, your benefit will no longer be paid by the Plan and therefore will not be protected by the PBGC. Once your benefit is transferred to an insurer, it will become subject to state laws regulating insurance companies and may be protected by state guaranty associations. Please refer to the enclosed notice, "Notice of State Guaranty Association Coverage of Annuities," for more information about state law protection.