



October 16, 2020

The Lincoln Electric Company: Retirement Annuity Program Update

Dear Plan Participant:

As you may recall, we recently announced changes to The Lincoln Electric Company Retirement Annuity Program ("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. Following this process, 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.

It is important to remember, you will not lose any benefits you previously earned under the Plan, including the RAMP feature (if eligible). The Plan and your future retirement benefit remain well-funded and secure.

Since you are an active or terminated employee with a vested retirement benefit in the Plan and have not yet started receiving benefit payments, there will be an added lump sum payment feature during a limited election period, which is expected to occur in 2021. The added feature will allow you to elect payment of your Plan benefit in the form of an immediate, single lump sum payment in lieu of any further Plan benefit. Please review the Immediate Lump Sum Option section of the enclosed Summary of Material Modifications (SMM) for more information regarding availability of this lump sum payment feature. Following regulatory approval of the plan termination, you will receive an election kit containing your personalized payment amounts, payment options and the forms required to make your election next year. You will also receive information on the potential insurers under consideration.

You do not need to take any action at this time. This packet includes the *Notice of Intent to Terminate (NOIT)*, which is a required regulatory notice that describes Lincoln Electric's intent to terminate the Plan. Lincoln Electric remains committed to support you through this change with ongoing communications. Additionally, the SMM is included to provide a summary of changes being made to the Plan.

Be sure your current mailing address is on file:

- **Current employees:** Logon to "HR Linc" via our Global Linc website (<http://globallinc.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.

If you have any questions after reading these materials, we encourage you to contact Lincoln Electric's Retirement Administrator at (216) 383-2476.

We appreciate your understanding as we move through this process. 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.

Date: October 16, 2020

To: All Active and Deferred Vested Participants, Beneficiaries, and Alternate Payees in the RAP

SUMMARY OF MATERIAL MODIFICATIONS TO The Lincoln Electric Company Retirement Annuity Program (Plan No. 001)

The purpose of this summary is to describe changes being made to the terms of The Lincoln Electric Company Retirement Annuity Program (the “Plan” or “RAP”) sponsored by The Lincoln Electric Company (the “Company”). This summary changes the terms of the Summary Plan Description (“SPD”) which was previously supplied to you. If you have any questions regarding this summary, please contact Lincoln Electric’s Retirement Administrator at (216) 383-2476.

PLAN TERMINATION

The Plan will terminate effective as of December 31, 2020. After the termination process, which is expected to be completed in late 2021, benefits will no longer be paid from the Plan. Instead, all future benefits will be paid by an insurance company or companies that will assume all obligations for providing those benefits pursuant to one or more annuity contracts purchased by the Plan. The insurance company or companies will be selected by a fiduciary committee of the Plan which will undertake a diligent evaluation process and whose sole function will be to represent the interests of Plan participants and beneficiaries.

Immediate Lump Sum Option. An immediate commencement option will be offered in connection with the Plan termination during a limited election period that is expected to begin in mid-2021. The option will provide for an immediate, single lump sum payment (or an immediate annuity) in lieu of any further Plan benefit, and will be subject to the Plan’s rules regarding small benefit cash-outs and spousal consent. The immediate lump sum option will not be available to (1) any person whose benefit is required to be paid in a specific form pursuant to a qualified domestic relations order, (2) any person receiving required minimum distributions from the Plan due to the participant’s death or the participant’s attainment of age 70 ½, (3) any participant receiving disability benefits under the Plan, or (4) any individual whose benefit is already in pay status when the election period begins.

Residual Assets. The Plan previously provided that, if the Plan is terminated, any assets remaining after satisfaction of all Plan expenses and benefit liabilities will be returned to the contributing employers. The Plan has been amended to provide that any remaining assets may instead be transferred to The Lincoln Electric Company Employee Savings Plan or another qualifying retirement plan to be used to fund employer contributions provided to participants under that plan.

SMALL BENEFITS

Cashout Following Termination of Employment. Previously, if the entire current value of a participant’s benefit was \$1,000 or less after the participant’s termination of employment and before payment of the benefit had commenced, then the participant’s benefit was automatically paid in a single lump sum. Effective March 12, 2020, the Plan was amended to increase this limit so that benefits with a current value of \$5,000 or less are automatically paid in a single lump sum. If the automatic lump sum amount is greater than \$1,000 and less than or equal to \$5,000, and if the participant does not elect to receive payment directly or in a direct rollover to a designated plan, then the lump sum will be paid in a direct rollover to an individual retirement account established in the participant’s name.

Cashout Upon Plan Termination. At the time Plan benefits will be distributed in connection with the Plan’s termination, if you are not already in pay status and if the entire current value of your benefit is \$5,000 or less, then your benefit will automatically be paid to you in a single lump sum. If you do not return the

payment election form provided to you during the Plan termination process, then the automatic lump sum will be paid to the PBGC Missing Participant Program to be held on your behalf.

DETERMINATION OF DISABLED STATUS FOR RIMROCK PARTICIPANTS

Effective March 1, 2020, a participant who is eligible for and receives disability insurance benefits under the Federal Social Security Act will be considered disabled for purposes of eligibility for disability benefits provided under the Rimrock component of the Plan, which was merged into the Plan from the Rimrock Group Retirement Plan effective December 31, 2019.

AGE FOR REQUIRED MINIMUM DISTRIBUTIONS

Currently, if a participant reaches age 70 ½ before beginning benefit payments, the Plan is required to make payments to the participant beginning April 1 of the Plan Year that immediately follows the year in which he or she reached age 70 ½ (or, for participants in the Rimrock component of the Plan, the later of the year in which he or she reached age 70 ½ and the year in which he or she actually retired). These rules remain unchanged for participants who reached age 70 ½ on or before December 31, 2019. For participants who reach age 70 ½ after December 31, 2019, due to recent changes in tax law, the relevant age for these rules will be increased from age 70 ½ to age 72. This change generally will not affect legacy Plan participants (those with benefits in the legacy Plan, rather than the Harris Calorific Division Retirement Plan and Rimrock Group Retirement Plan components of the Plan) because their benefits are paid or commence prior to age 70 ½ under normal Plan terms.

CALCULATION OF ALTERNATIVE ANNUITY FORMS OF DISTRIBUTION

The Plan has been amended to provide that the actuarial equivalence factors used to calculate alternative annuity forms of distribution will be the same interest rate and mortality table that are prescribed by the IRS for calculating lump sum benefits. However, the factors specified in the Plan before the amendment will still be used in situations where those prior factors would result in a larger benefit.

LEGAL ACTION AND VENUE

If your claim for benefits under the Plan should be denied either in full or in part, you may bring a legal action for benefits in court only if you have completed and exhausted the Plan's claims and appeals procedures, which are described in the SPD. Effective January 1, 2020, any such claim brought in court must be filed in federal court in the United States District Court of the Northern District of Ohio. In addition, effective January 1, 2020, you may not bring a legal action for benefits under the Plan after the date that is 12 months after your receipt of the final decision on appeal or, if earlier, the date that is 24 months after your receipt of a Notice of Plan Benefits in connection with the Plan termination.

CERTAIN DEADLINES EXTENDED DURING COVID-19 OUTBREAK PERIOD

As required by recent federal guidance, the period from March 1, 2020, until 60 days after the announced end of the COVID-19 national emergency (or any alternative end date announced by the government) will not count toward any deadline by which you must make a claim or file an appeal of a denied claim or other negative benefit determination under the Plans' internal claims and appeals process.

DISCLAIMER: The Lincoln Electric Company reserves the right to amend or terminate any plan, including the RAP, at any time and from time to time. The benefits described herein merely summarize the current terms of the RAP (as amended). In the event of any inconsistency between this document and the terms of the RAP plan document, the terms of the plan document will control.

**NOTICE OF INTENT TO TERMINATE
THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM (THE "PLAN")**

Date: October 16, 2020

The Lincoln Electric Company (the "Company") intends to terminate The Lincoln Electric Company Retirement Annuity Program (the "Plan") in a "standard termination". The law requires that we provide you with written notice of the proposed termination. The proposed date of termination is December 31, 2020. In order for the Plan to terminate, plan assets must be sufficient to provide all plan benefits. If the proposed termination does not occur, the Company will notify you in writing.

1. Name and Address of Contributing Sponsor and Plan Administrator: The Lincoln Electric Company
22801 St. Clair Avenue
Cleveland, OH 44117
2. Employer Identification Number: 34-0359955
3. Plan Number: 001
4. Notice to Current Retirees: The proposed termination will not affect your monthly benefit amount.
5. Proposed Termination Date: The proposed date of plan termination is December 31, 2020. We will notify you in writing if the proposed termination date is changed to a later date.
6. Contact Information: If you have any questions regarding this notice, you may call:

The Lincoln Electric Company Retirement Administrator
The Lincoln Electric Company
22801 St. Clair Avenue
Cleveland, OH 44117

Tel., 216-383-2476, 8 a.m. to 5 p.m., EST Mon – Fri.
7. Cessation of Accruals: Benefit accruals under the Plan were previously frozen in accordance with section 204(h) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"): (i) as of July 1, 2003 for employees of the Rimrock Corporation; (ii) as of December 31, 2007 for participants of the Harris Calorific Division Retirement Plan who elected employer provided defined contribution benefits; and (iii) as of December 31, 2016 for all other employees.
8. Obtaining A Summary Plan Description: If you wish to obtain a copy of the summary plan description (SPD) please contact The Lincoln Electric Company Retirement Administrator at the address and telephone number provided in item 6 above.
9. Notification of Plan Benefits: At a later date, you will be provided written notification regarding your benefits.
10. Identity of Insurers: If you currently receive, or will receive, a benefit in the form of an annuity, the Plan Administrator intends to purchase an annuity contract for your benefit from an insurer to be selected at a later date. We will notify you in writing of the name and address of the insurer(s) from whom, or from among whom, we intend to purchase the annuity at least 45 days before we make the purchase.
11. End of PBGC Guarantee: After plan assets have been distributed to provide all of your benefit, either through the purchase of an annuity contract or in another form permitted by the Plan, the Pension Benefit Guaranty Corporation's (PBGC) guarantee of your benefit ends.