

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-1402

LINCOLN ELECTRIC HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of
incorporation or organization)

34-1860551

(I.R.S. Employer Identification No.)

22801 St. Clair Avenue, Cleveland, Ohio

(Address of principal executive offices)

44117

(Zip Code)

(216) 481-8100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, without par value	LECO	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(c)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the common shares held by non-affiliates as of June 30, 2023 was \$11,222,091,898 (affiliates, for this purpose, have been deemed to be Directors and Executive Officers of the Company and certain significant shareholders).

The number of shares outstanding of the registrant's common shares as of January 31, 2024 was 56,822,805.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference certain information from the registrant's definitive proxy statement with respect to the registrant's 2024 Annual Meeting of Shareholders.

PART I

ITEM 1. BUSINESS

General

As used in this Annual Report on Form 10-K, the term "Company," except as otherwise indicated by the context, means Lincoln Electric Holdings, Inc. and its wholly-owned and majority-owned subsidiaries for which it has a controlling interest. The Lincoln Electric Company began operations in 1895 and was incorporated under the laws of the State of Ohio in 1906. During 1998, The Lincoln Electric Company reorganized into a holding company structure, and Lincoln Electric Holdings, Inc. became the publicly-held parent of Lincoln Electric subsidiaries worldwide, including The Lincoln Electric Company.

The Company is one of only a few worldwide broad-line manufacturers of welding, cutting and brazing products. The Company is the world leader in the design, development and manufacture of arc welding products, automated joining, assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

The arc welding power sources and wire feeding systems manufactured by the Company range in technology from basic units used for light manufacturing and maintenance to highly sophisticated robotic applications for high volume production welding and fabrication. Three primary types of arc welding consumables are produced: (1) coated manual or stick electrodes; (2) solid wire produced in coil, reel or drum forms for continuous feeding in mechanized welding; and (3) cored wire produced in coil form for continuous feeding in mechanized welding.

The Company has, through wholly-owned subsidiaries, manufacturing facilities located in the United States, Australia, Austria, Brazil, Canada, China, Colombia, France, Germany, India, Italy, Mexico, Poland, Portugal, Romania, Russia, South Korea, Spain, Turkey and the United Kingdom.

The Company's business units are aligned into three operating segments. The operating segments consist of Americas Welding, International Welding and The Harris Products Group. The Americas Welding segment includes welding operations in North and South America. The International Welding segment includes welding operations in Europe, Africa, Asia and Australia. The Harris Products Group includes the Company's global cutting, soldering and brazing businesses, specialty gas equipment, as well as the retail business in the United States.

Customers

The Company's products are sold in both domestic and international markets. In the Americas, products are sold principally through industrial distributors, retailers and also directly to users of welding products (OEMs, manufacturers and integrators). Outside of the Americas, the Company has an international sales organization comprised of Company employees and agents who sell products from the Company's various manufacturing sites to distributors and product users.

The Company's major end-user markets include:

- general fabrication,
- energy (oil and gas, power generation and process industries),
- heavy industries (heavy fabrication, ship building and maintenance and repair),
- automotive and transportation, and
- construction and infrastructure.

The Company is not dependent on a single customer or a few customers and no individual customer currently accounts for more than ten percent of total Net sales. However, the loss of a large customer could have an adverse effect on the Company's business. The Company's operating results are sensitive to changes in general economic conditions, including an increase in interest rates, inflationary pressures and fluctuations in foreign currency rates. The arc welding and cutting industry is generally a mature industry in developed markets such as North America and Western Europe and is cyclical in nature. Overall demand for arc welding and cutting products is largely determined by economic cycles and the level of capital spending in manufacturing and other industrial sectors. The Company experiences some variability in reported period-to-period results as historical demand for the Company's products is mildly seasonal with generally higher demand in the second and third quarters. See "Item 1A. Risk Factors" for further discussion regarding risks associated with customers, general economic conditions and demand.

Competition

Conditions in the arc welding and cutting industry are highly competitive. The Company believes it is the world's largest manufacturer of consumables and equipment with relatively few major broad-line competitors worldwide, but numerous smaller competitors in specific geographic markets. The Company continues to pursue strategies to heighten its competitiveness in domestic and international markets, which includes positioning low cost manufacturing facilities in most geographical markets. Competition in the arc welding and cutting industry is based on brand preference, product quality, price, performance, warranty, delivery, service and technical support. The Company believes its performance against these factors has contributed to the Company's position as the leader in the industry.

Most of the Company's products may be classified as standard commercial articles and are manufactured for stock. The Company believes it has a competitive advantage in the marketplace because of its highly trained technical sales force and the support of its welding research and development staff to assist customers in optimizing their welding applications. This allows the Company to introduce its products to new users and to establish and maintain close relationships with its customers. This close relationship between the technical sales force and the direct customers, together with its supportive relationship with its distributors, who are particularly interested in handling the broad range of the Company's products, is an important element of the Company's market success and a valuable asset of the Company.

Raw Materials

The principal raw materials essential to the Company's business are steel, electronic components, engines, brass, copper, silver, aluminum alloys, robotic components and various chemicals, all of which are normally available for purchase in the open market.

Patents and Trademarks

The Company holds many valuable patents, primarily in arc welding, and actively protects its innovations as research and development has progressed in both the United States and major international jurisdictions. The Company believes its trademarks are an important asset and aggressively pursues brand management.

Environmental Regulations

The Company's facilities are subject to environmental regulations. To date, compliance with these environmental regulations has not had a material adverse effect on the Company's earnings. The Company is ISO 14001 certified at most significant manufacturing facilities in North America and Europe and is progressing towards certification at its remaining facilities worldwide. In addition, the Company is ISO 9001 certified at 46 facilities worldwide.

The Company ensures compliance as well as the continuous improvement of the environmental performance of its products and operations through its global Environmental, Health, Safety and Quality ("EHS&Q") systems. The Company's systems are guided by Corporate EHS&Q Policy, global directives and corporate standards that establish consistent guidelines for the management, measurement and reporting of environmental, health and safety activities, as well as quality across the Company's global platform. The Company's products support our customers' sustainability initiatives through enhanced worker safety, reduced emissions, improved energy efficiency, reduced waste and regulatory compliance.

International Operations

The Company conducts a significant amount of its business and has a number of operating facilities in countries outside the United States. As a result, the Company is subject to business risks inherent to non-U.S. activities, including political uncertainty, import and export limitations, environmental regulation, exchange controls and currency fluctuations.

Human Capital Management

Employee Profile

The Company's employees are its most valuable asset as they represent the foundation of the Company and its future success. The number of persons employed by the Company worldwide at December 31, 2023 was approximately 12,000.

Employee Engagement

The Company strongly believes that employee engagement drives better business results and that a highly engaged workforce can increase innovation, productivity and bottom-line performance while reducing costs. The Company engages employees through individual, small group and town hall meetings, its Advisory Board, global intranet, employee surveys, resource groups, health and safety communications and initiatives, training and development, employee wellness programs, and an ethics hotline, among other vehicles.

Talent Management and Development

In order to ensure the competitiveness of our workforce as well as a strong succession pipeline, the Company provides development opportunities to advance skills, knowledge and expertise. The Company's programs include formal leadership, management and professional development programs, tuition reimbursement for external accredited programs, mentoring, self-guided online courses, instructor-led programs and special project and rotational assignments that can lead to extensive global exposure.

Diversity and Inclusion

The Company has a longstanding commitment to equal opportunity in all aspects of employment—including employee compensation, job placement and promotion regardless of gender, race or other personal characteristics. The Company's culture is underpinned by its core values, including the guiding principles championed by James F. and John C. Lincoln when they founded Lincoln Electric over 125 years ago – The Golden Rule: Treat Others How You Would Like to Be Treated. The Company has implemented several measures that focus on accountability for making progress in diversity.

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The CEO and other senior leaders have diversity and inclusion objectives as part of their annual performance goals. The Company focuses on diverse talent sourcing strategies and partners with external organizations that develop and supply diverse talent. The Company reviews and updates its human resources processes and benchmarks roles and compensation externally on a regular basis to help prevent bias and promote a diverse and inclusive workplace.

Compensation

The Company's compensation program is designed to attract and retain exceptional employees and to maintain a strong pay for performance culture. The Company has designed its compensation system to reflect current best practices, including setting base pay below the competitive market for each position, targeting incentive-based cash compensation above the competitive market and promoting quality corporate governance in compensation decisions.

The Company's annual talent and succession planning process reviews 100% of its global professional staff worldwide to support the development of a talent pipeline for critical roles in general management, engineering and operations. This evaluation includes the Company's CEO, as well as segment business and functional leaders who focus on high potential and diverse talent, as well as planning succession within the Company's most critical roles.

The Company believes that the practices outlined above result in sustained increases in shareholder value and reflect its compensation philosophy of aligning long-term pay and performance.

Health and Safety

Health and safety is a priority for the Company, and its vision is an accident-free workplace with zero safety incidents. The Company follows a rigorous health and safety program that adheres to stringent safety standards and best practices to ensure its manufacturing operations, related processes and products do not negatively impact the health and welfare of its employees, customers and neighbors.

In addition to Company-led programs and employee engagement in behavior-based safety and wellness committees, the Company actively engages in health and safety standard development committees at key industry organizations such as the American Welding Society, the International Institute of Welding and across various International Standards Organization committees to ensure best practices for its employees and end users.

The Company's standard health and safety programs adhere to stringent safety standards and best practices to ensure that its operations, related processes and products do not negatively impact the health and welfare of its employees, customers or community.

Community Engagement

The Company is an active member in the communities in which it operates and where its employees live. The Company participates in community meetings, local business associations, offers plant visits, provides grants to nonprofit organizations and donates resources and time through in-kind gifts, employee volunteerism and non-profit board service. The Company's partnership with academia includes executive-led lectures and donations of equipment and engineering expertise to support lab and research initiatives. In addition, the Company supports community educational / career programming among secondary and high school students in order to address skills gaps in the industry and maintain awareness of attractive career pathways in manufacturing.

See "Part I, Item 1D" for information regarding the Company's executive officers, which is incorporated herein by reference.

Website Access

The Company's website, www.lincolnelectric.com, is used as a channel for routine dissemination of important information, including news releases and financial information. The Company posts its filings as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"), including annual, quarterly and current reports on Forms 10-K, 10-Q and 8-K, respectively; proxy statements; and any amendments to those reports or statements. The Company also posts its Code of Corporate Conduct and Ethics on its website. All such postings and filings are available on the Company's website free of charge. In addition, this website allows investors and other interested persons to sign up to automatically receive e-mail alerts when news releases and financial information is posted on the website. The SEC also maintains a website, www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The content on any website referred to in this Annual Report on Form 10-K is not incorporated by reference into this Annual Report unless expressly noted.

ITEM 1A. RISK FACTORS

From time to time, information we provide, statements by our employees or information included in our filings with the SEC may contain forward-looking statements that are not historical facts. Those statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "forecast," "guidance" or words of similar meaning. Actual results may differ materially from such statements due to a variety of factors that could adversely affect the Company's operating results. Forward-looking statements, and our future performance, operating results, financial position and liquidity, are subject to a variety of factors that could materially affect results, including those risks described below. Forward-looking statements made in this report speak only as of the date of the statement, and, except as required by law, we undertake no obligation to update those statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

In the ordinary course of our business, we face various strategic, operating, compliance and financial risks. These risks could have a material impact on our business, financial condition, operating results and cash flows. Our Enterprise Risk Management ("ERM") process seeks to identify and address significant risks. Our ERM process is a company-wide initiative that is designed with the intent of prioritizing risks and allocating appropriate resources to address such risks. We use the integrated risk framework of the Committee of Sponsoring Organizations to assess, manage and monitor risks.

Management has identified and prioritized critical risks based on the severity and likelihood of each risk and assigned an executive to address each major identified risk area and lead action plans to monitor and mitigate risks, where possible. Our Board of Directors provides oversight of the ERM process and systematically reviews identified critical risks. The Audit Committee also reviews major financial risk exposures and the steps management has taken to monitor and control them.

Our goal is to proactively manage risks in a structured approach and in conjunction with the strategic planning process, with the intent to preserve and enhance shareholder value. However, these and other risks and uncertainties could cause our results to vary materially from recent results or from our anticipated future results. The risk factors and uncertainties described below, together with information incorporated by reference or otherwise included elsewhere in this Annual Report on Form 10-K, should be carefully considered. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Additional risks and uncertainties of which we are currently unaware or that we currently believe to be immaterial may also adversely affect our business. Readers should not interpret the disclosure of any risk factor to imply that the risk has not yet already materialized.

Risks Related to Economic Conditions

General economic, financial and market conditions may adversely affect our financial condition, results of operations and access to capital markets.

Our operating results are sensitive to changes in general economic conditions. Recessionary economic cycles, global supply chain disruptions, higher logistics costs, higher interest rates, inflation, higher raw materials costs, higher labor costs, trade barriers in the world markets, financial turmoil related to sovereign debt and changes in tax laws or trade laws or other economic factors affecting the countries and industries in which we do business could adversely affect demand for our products. An adverse change in demand could impact our results of operations, collection of accounts receivable and our expected cash flow generation from current and acquired businesses, which may adversely affect our financial condition, results of operations and access to capital markets.

In March 2022, in response to Russia's invasion of Ukraine, the Company announced it had ceased operations in Russia and implemented plans to support its Russian employees. Although the Company's Net sales and Total assets in Russia were less than 1% of consolidated Net sales and Total assets for the year ended December 31, 2023 and 2022, the Russia-Ukraine conflict and sanctions imposed globally may result in economic and supply chain disruptions, the ultimate financial impact of which cannot be reasonably estimated at this time. The Company continues to monitor the Russia-Ukraine conflict and its potential impacts.

We conduct our sales and distribution operations on a worldwide basis and maintain manufacturing facilities in a number of foreign countries, which subjects us to risks associated with doing business outside the United States.

As a growing global enterprise, the share of sales and profits we derive from our international operations and exports from the United States is significant. This trend increases our exposure to the performance of many developing economies in addition to the developed economies outside of the United States. If international economies were to experience significant slowdowns, it could adversely affect our financial condition, results of operations and cash flows. There are a number of risks in doing business internationally, which may impede our ability to achieve our strategic objectives relating to our foreign operations, including:

- Political and economic uncertainty and social turmoil;
- Corporate governance and management challenges in consideration of the numerous U.S. and foreign laws and regulations, including regulations relating to import-export control, technology transfer restrictions, repatriation of earnings and funds, exchange controls, labor regulations, nationalization, tariffs, data protection and privacy requirements, anti-boycott provisions and anti-bribery laws (such as the Foreign Corrupt Practices Act and the Organization for Economic Cooperation and Development Convention);
- International terrorism and hostilities;
- Changes in the global regulatory environment, including revised or newly created laws, regulations or standards relating to the Company, our products or the markets in which we operate; and
- Significant fluctuations in relative currency values; in particular, an increase in the value of the U.S. dollar against foreign currencies could have an adverse effect on our profitability and financial condition, as well as the imposition of exchange controls, currency devaluations and hyperinflation.

The cyclical nature and maturity of the arc welding and cutting industry in developed markets may adversely affect our performance.

The arc welding and cutting industry is generally a mature industry in developed markets such as North America and Western Europe and is cyclical in nature. Overall demand for arc welding and cutting products is largely determined by the level of capital spending in manufacturing and other industrial sectors, and the welding industry has historically

experienced contraction during periods of slowing industrial activity. If economic, business and industry conditions deteriorate, capital spending in those sectors may be substantially decreased, which could reduce demand for our products and have an adverse effect on our revenues and results of operations.

Risks Related to Manufacturing and Operations

Economic and supply disruptions associated with events beyond our control, such as war, acts of terror, political unrest, pandemic, labor disputes, natural disasters could adversely affect our supply chain and distribution channels or result in loss of sales and customers.

Our facilities and operations, and the facilities and operations of our suppliers and customers, could be disrupted by events beyond our control, such as war, political unrest, pandemics, labor disputes and natural disasters, including events caused by climate change. Any such disruption could cause delays in the production and distribution of our products and the loss of sales and customers. Insurance proceeds may not adequately compensate the Company for the losses.

Availability of and volatility in energy costs or raw material prices may adversely affect our performance.

In the normal course of business, we are exposed to market risks related to the availability of and price fluctuations in the purchase of energy and commodities used in the manufacture of our products (primarily steel, brass, copper, silver, aluminum alloys, electronic components, electricity and natural gas). The availability and prices for energy costs and raw materials, including steel, nonferrous metals and chemicals, are subject to volatility and are influenced by worldwide economic conditions. They are also influenced by import duties and tariffs speculative action, world supply and demand balances, inventory levels, availability of substitute materials, currency exchange rates, anticipated or perceived shortages, government trade practices and regulations and other factors.

Increases in the cost of raw materials and components may adversely affect our profitability if we are unable to pass along to our customers these cost increases in the form of price increases or otherwise reduce our cost of goods sold. Although most of the raw materials and components used in our products are commercially available from a number of sources and in adequate supply, any disruption in the availability of such raw materials and components, our inability to timely or otherwise obtain substitutes for such items, or any deterioration in our relationships with or the financial viability of our suppliers could adversely affect our business.

We are subject to risks relating to our information systems and data.

The conduct and management of our business relies extensively on information systems, which contain confidential information related to our customers, suppliers and employees and other proprietary business information. We maintain some of these systems and are also dependent on a number of critical information technology and other infrastructure services provided by third parties relating to, among other things, human resources, electronic communication services and finance functions. Like many companies, our information systems and those of third parties who provide products or services to us may be subject to cybersecurity threats and cybersecurity incidents. To date, no such cybersecurity incidents have had a material impact on our business or operations. However, cybersecurity threats or cybersecurity incidents involving our systems or those of our third party service providers could interrupt our ability to manage and operate the business, impact data, and adversely affect our results of operations and financial condition. The Company continues to invest in cybersecurity, including measures intended to maintain and enhance cybersecurity resilience, and the Company's cybersecurity risks are regularly monitored by the Audit Committee of our Board of Directors. Nevertheless, due to the nature of cybersecurity threats, there can be no assurance that our preventive efforts can fully mitigate the risks of all cybersecurity threats and cybersecurity incidents, and a significant cybersecurity incident could result in financial loss, unfavorable publicity, damage to our reputation, loss of data, including our trade secrets and other competitive information, allegations by our customers and business partners that we have not performed our contractual obligations, litigation by affected parties, governmental investigations, and related monetary damages, injunctive requirements, and fines or other sanctions. Any of these events could have an adverse effect on our results of operations and financial condition.

Risks Related to Human Capital

Our operations depend on maintaining a skilled workforce, and any interruption in our workforce could negatively impact our results of operations and financial condition.

Our success depends in part on the efforts and abilities of our management team and key employees. Their skills, experience and industry knowledge significantly benefit our operations and performance. Our future success will also depend on our ability to identify, attract and retain highly qualified managerial and technical (including research and development) personnel. Competition for these individuals is intense and compensation rates are increasing due to lower labor availability. Under these conditions, we may not succeed in identifying, attracting or retaining qualified personnel. With our strategy to expand internationally into developing markets, we may incur additional risks as some developing economies lack a sufficiently trained labor pool.

Any interruption of our workforce, including rationalization efforts related to the integration of acquired businesses, interruptions due to unionization efforts, changes in labor relations or shortages of appropriately skilled individuals could impact our results of operations and financial condition.

Risks Related to Business Strategy

We may not be able to complete our acquisition or divestiture strategies, successfully integrate acquired businesses and in certain cases we may be required to retain liabilities for certain matters.

Part of our business strategy is to pursue targeted business acquisition opportunities, including foreign investment opportunities. We cannot be certain that we will be successful in pursuing potential acquisition candidates or that the consequences of any acquisition would be beneficial to us. Future acquisitions may expose us to unexpected liabilities and involve the expenditure of significant funds and management time. Further, we may not be able to successfully integrate an acquired business with our existing businesses or recognize the expected benefits from any completed acquisition. Integration efforts may include significant rationalization activities that could be disruptive to the business. Our current operational cash flow is sufficient to fund our acquisition plans, but a significant acquisition could require access to the capital markets.

Additionally, from time to time we may identify assets for strategic divestitures that would increase capital resources available for other activities and create organizational and operational efficiencies. Various factors could materially affect our ability to dispose of such assets or complete announced divestitures, including the receipt of approvals of governmental agencies or third parties and the availability of purchasers willing to acquire the interests or purchase the assets on terms and at prices acceptable to us.

Sellers typically retain certain liabilities or indemnify buyers for certain matters. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction and ultimately may be material. Also, as is typical in divestitures, third parties may be unwilling to release us from guarantees or other credit support provided prior to the sale of the divested assets. As a result, after a divestiture, we may remain secondarily liable for the obligations guaranteed or supported to the extent that the buyer of the assets fails to perform these obligations.

If we cannot continue to develop, manufacture and market products that meet customer demands, continue to enforce the intellectual property rights on which our business depends or if third parties assert that we violate their intellectual property rights, our revenues, gross margins and results of operations may suffer.

Our continued success depends, in part, on our ability to continue to meet our customers' needs for welding and cutting products through the introduction of innovative new products and the enhancement of existing product design and performance characteristics. We must remain committed to product research and development and customer service in order to remain competitive. We cannot be assured that new products or product improvements, once developed, will meet with customer acceptance and contribute positively to our operating results, or that we will be able to continue our

product development efforts at a pace to sustain future growth. Further, we may lose customers to our competitors if they demonstrate product design, development or manufacturing capabilities superior to ours.

We rely upon patent, trademark, copyright and trade secret laws in the United States and similar laws in foreign countries, as well as agreements with our employees, customers, suppliers and other third parties, to establish and maintain our intellectual property rights. However, any of our intellectual property rights could be challenged, invalidated or circumvented, or our intellectual property rights may not be sufficient to provide a competitive advantage. Further, the laws and their application in certain foreign countries do not protect our proprietary rights to the same extent as U.S. laws. Accordingly, in certain countries, we may be unable to protect our proprietary rights against unauthorized third-party copying or use, which could impact our competitive position.

Further, third parties may claim that we or our customers are infringing upon their intellectual property rights. Even if we believe that those claims are without merit, defending those claims and contesting the validity of patents can be time consuming and costly. Claims of intellectual property infringement also might require us to redesign affected products, enter into costly settlements or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting us from manufacturing, marketing or selling certain of our products.

The competitive pressures we face could harm our revenue, results of operations and prospects.

We operate in a highly competitive global environment and compete in each of our businesses with other broad-line manufacturers and numerous smaller competitors specializing in particular products. We compete primarily on the basis of brand, product quality, price, performance, warranty, delivery, service and technical support. We have previously initiated, and may in the future initiate significant rationalization activities to align our business with market conditions and improve our overall competitiveness, including with respect to the integration of acquired businesses. Such rationalization activities could fail to deliver the desired competitive cost structure and could result in disruptions in customer service. If our products, services, support and cost structure do not enable us to compete successfully based on any of the criteria listed above, our revenue, results of operations and prospects could suffer.

Further, in the past decade, the arc welding industry in the United States and other developed countries has been subject to increased levels of foreign competition as low cost imports have become more readily available. Our competitive position could be harmed if new or emerging competitors become more active in the arc welding business. For example, while steel manufacturers traditionally have not been significant competitors in the domestic arc welding industry, some foreign integrated steel producers manufacture selected consumable arc welding products and robotic arm manufacturers compete in the automated welding and cutting space. In addition, in certain markets of the world, distributors manufacture and sell arc welding products. Our sales and results of operations, as well as our plans to expand in some foreign countries, could be adversely affected by this practice.

We may incur additional restructuring charges as we continue to contemplate rationalization actions in an effort to optimize our cost structure and may not achieve the anticipated savings and benefits of these actions.

We may take additional actions in the future to further optimize our cost structure and improve the efficiency of our operations, which will reduce our profitability in the periods incurred. As a result of these actions, we will likely continue to incur charges, which may include but are not limited to asset impairments, employee severance costs, charges for pension and other postretirement contractual benefits and pension settlements, any of which could be significant, and could adversely affect our financial condition and results of operations. In addition, we may not realize anticipated savings or benefits from past or future rationalization plans in full or in part or within the time periods we expect. Failure to realize anticipated savings or benefits from our cost reduction actions could have a material adverse effect on our business, financial condition, liquidity, results of operations and cash flows. For more information regarding rationalization plans, refer to the rationalization and asset impairment related disclosure under Note 7 to the Company's consolidated financial statements.

Risks Related to Legal, Compliance and Regulatory Matters

We are a co-defendant in litigation alleging asbestos induced illness. Liabilities relating to such litigation could reduce our profitability and impair our financial condition.

As of December 31, 2023, we were a co-defendant in cases alleging asbestos induced illness involving claims by approximately 1,387 plaintiffs. In each instance, we are one of a large number of defendants. The asbestos claimants allege that exposure to asbestos contained in welding consumables caused the plaintiffs to develop adverse pulmonary diseases, including mesothelioma and other lung cancers.

Since January 1, 1995, we have been a co-defendant in asbestos cases that have been resolved as follows: 56,986 of those claims were dismissed, 23 were tried to defense verdicts, 7 were tried to plaintiff verdicts (which were reversed or resolved after appeal), 1 was resolved by agreement for an immaterial amount and 1,015 were decided in favor of the Company following summary judgment motions.

The long-term impact of the asbestos loss contingency, in the aggregate, on operating results, operating cash flows and access to capital markets is difficult to assess, particularly since claims are in many different stages of development and we benefit significantly from cost-sharing with co-defendants and insurance carriers. While we intend to contest these lawsuits vigorously, and believe we have applicable insurance relating to these claims, there are several risks and uncertainties that may affect our liability for personal injury claims relating to exposure to asbestos, including the future impact of changing cost sharing arrangements or a change in our overall trial experience.

Asbestos use in welding consumables in the U.S. ceased in 1981.

We may incur material losses and costs as a result of product liability claims that may be brought against us or failure to meet contractual performance commitments.

Our business exposes us to potential product liability risks that are inherent in the design, manufacture, sale and application of our products and the products of third-party suppliers that we utilize or resell. Our products are used in a variety of applications, including infrastructure projects such as oil and gas pipelines and platforms, buildings, bridges and power generation facilities, the manufacture of transportation and heavy equipment and machinery and various other construction projects. We face risk of exposure to product liability claims in the event that accidents or failures on these projects result, or are alleged to result, in bodily injury or property damage. Further, our products are designed for use in specific applications, and if a product is used inappropriately, personal injury or property damage may result. In certain cases, we design automated welding systems for use in a customer's production facilities (including automotive production facilities), which could expose us to financial losses or professional liability.

The occurrence of defects in or failures of our products, or the misuse of our products in specific applications, could cause termination of customer contracts, increased costs and losses to us, our customers and other end users. We cannot be assured that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend those claims. Further, we cannot be assured that our product liability insurance coverage will be adequate for any liabilities that we may ultimately incur or that product liability insurance will continue to be available on terms acceptable to us. Even if we are successful defending such claims or product liability coverage is adequate, claims of this nature could cause customers to lose confidence in our products and our Company. Warranty claims are not generally covered by insurance and we may incur significant warranty costs in the future for which we would not be reimbursed.

We may incur losses if we do not achieve contractual commitments, including project performance requirements or project schedules. Project performance can be affected by a number of factors, including but not limited to, availability of materials, changes in the project scope of services, environmental conditions or labor disruptions. In addition, our backlog consists of the expected revenue from projects for which we have an executed contract or commitment with a customer. Project cancellations, scope adjustments, deferrals or changes in cost estimates may reduce the dollar amount of revenue and profits that we actually earn.

Changes in tax rates or exposure to additional income tax liabilities could affect profitability.

Our business is subject to income taxes in the United States and various foreign jurisdictions. Domestic and international tax liabilities are subject to the allocation of income among various tax jurisdictions. Our effective tax rate could be adversely affected by changes in the mix among earnings in countries with differing statutory tax rates, changes in the valuation allowances of deferred tax assets or changes in tax laws. There can be no assurance that changes in tax laws or regulations, both within the United States and the various foreign jurisdictions in which we operate, such as the proposed 15% global minimum tax under the Organisation for Economic Co-operation and Development (the “OECD”) Pillar Two, Global Anti-Base Erosion Rules (The “Pillar Two Rules”), will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations.

The amount of income taxes paid is subject to ongoing audits by the United States federal, state and local tax authorities and by foreign tax authorities. If these audits result in assessments different from amounts reserved, future financial results may include unfavorable adjustments which could have a material adverse effect on our results of operations.

Evolving international laws and enforcement relating to data privacy could adversely affect our operations.

Our business is also subject to increasingly complex and changing laws and regulations enacted to protect business and personal information in the United States and other jurisdictions regarding privacy, data protection and data security, including those related to the collection, storage, use, transmission and protection of personal information and other customer, vendor or employee data. Laws and regulations addressing personal information, including with respect to the European Union’s General Data Protection Regulation (“GDPR”), and the interpretation and enforcement of these and similar laws and regulations, are continuously evolving and there is significant uncertainty with respect to how compliance with these laws and regulations may develop and the costs and complexity of future compliance. In addition, as a result of existing or new data protection requirements, we incur and expect to continue to incur ongoing costs as part of our efforts to comply with applicable law. Any failure, or perceived failure, to comply with data protection or privacy-related legal obligations may result in governmental enforcement actions, litigation, or negative publicity, and could have an adverse effect on our operations and financial condition.

Our global operations are subject to increasingly complex environmental regulatory requirements.

We are subject to increasingly complex environmental regulations affecting international manufacturers, including those related to air and water emissions, waste management and climate change. Some environmental laws impose strict, retroactive and joint and several liability for the remediation of the release of hazardous substances, even for conduct that was lawful at the time it occurred, or for the conduct of or conditions caused by prior operators, predecessors or third parties. Failure to comply with environmental laws could expose us to penalties or clean-up costs, civil or criminal liability and sanctions on certain of our activities, as well as damage to property or natural resources. These liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws and regulations could negatively impact our ability to conduct our operations and our financial condition and results of operations. In addition, there can be no assurances that we will not be adversely affected by costs, liabilities or claims with respect to existing or subsequently acquired operations or under present laws and regulations or those that may be adopted or imposed in the future.

Changes in environmental laws or regulations could result in higher expenses and payments, and uncertainty relating to environmental laws or regulations may also affect how we conduct our operations and structure our investments and could limit our ability to enforce our rights. Changes in environmental and climate change laws or regulations, including laws relating to greenhouse gas emissions, could subject us to additional costs and restrictions, including increased energy and raw material costs. If environmental laws or regulations are either changed or adopted and impose significant operational restrictions and compliance requirements upon us or our products, they could negatively impact our business, capital expenditures, results of operations, financial condition and competitive position.

It is our policy to apply strict standards for environmental protection to all of our operations inside and outside of the United States, even when we are not subject to local government regulations. We may incur substantial costs, including

cleanup costs, fines and civil or criminal sanctions, liabilities resulting from third-party property damage or personal injury claims, or our products could be prohibited from entering certain jurisdictions, if we were to violate or become liable under environmental laws, if our products become non-compliant with environmental laws or if we were to undertake environmental protection actions voluntarily.

We also face increasing complexity in our products design and procurement operations as we adjust to new and future requirements relating to the design, production and labeling of our products that are sold worldwide in multiple jurisdictions. The ultimate costs under environmental laws and the timing of these costs are difficult to predict.

We may be exposed to certain regulatory and financial risks related to climate change.

A number of governments and agencies in the U.S. and in foreign jurisdictions have proposed and may continue to introduce regulatory changes to address climate change, including regulations related to greenhouse gas emissions. We may be subject to additional regulations or restrictions in jurisdictions where we operate, including charges to fund additional energy-efficient activities, assessments or fees, and operational restrictions such as reduced emission allowances. Compliance with climate change regulations and restrictions may result in additional costs, including increased production costs and taxes, which could adversely impact our financial position. In addition, climate change regulations and related operating restrictions may unfavorably affect our competitive position with companies who may not be subject to equivalent requirements in their jurisdictions. In addition, negative publicity or public perception of climate change issues associated with us or our industry may cause reputational damage and financial harm to the Company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Our cybersecurity risk management process is integrated into our Enterprise Risk Management “ERM” process as described in Item 1A. Risk Factors. Cybersecurity has been identified as a critical risk.

To identify, assess, and manage material cybersecurity risks, we regularly evaluate and take steps to enhance our cybersecurity protocols to protect against or mitigate cyber threats. We conduct third-party and internal assessments of our environments, including system penetration testing, test our recovery and response processes, and we consider industry standards when developing our information security program. The Company has an information security training program, which calls for training all computer-based employees twice per year, through various employee training modules relative to information security matters and phishing simulation events with employees to raise cybersecurity awareness.

From time to time, we engage third-party assessors, consultants, auditors and others to assist us with evaluating, enhancing, implementing and monitoring our cybersecurity risk-management programs. We maintain processes to oversee and identify cybersecurity risks associated with our use of third-party service providers such as vigilant contract and vendor due diligence review, as well as annual review of the service providers’ independent audit report where applicable.

Like many companies, our systems and those of our third party providers who provide us with services and products may be subject to cybersecurity threats and cybersecurity incidents. To date, no such cybersecurity incidents have had a material impact on our business or operations. However, if as a result of any future incidents or our systems are significantly damaged, cease to function properly or are subject to a significant cybersecurity incident, we may suffer an interruption in our ability to manage and operate the business, and our results of operations and financial condition could be adversely affected. The Company maintains an insurance policy with respect to cybersecurity and has

undergone several simulation, preparedness and response exercises. See “Risks Related to Manufacturing and Operations” in Item 1A. Risk Factors.

Governance

Our Board oversees the management of our risks, including risks from cybersecurity threats, on an enterprise-wide basis, and the Lead Independent Director promotes our Board’s engagement in this process. Our Board has delegated oversight of the risk assessment and mitigation process with respect to cybersecurity to the Audit Committee of our Board. The Audit Committee regularly monitors the Company’s cybersecurity risks and receives updates from the Chief Information Officer (“CIO”) at each meeting. In addition, the Audit Committee regularly reviews the overall effectiveness of the information technology security environment. The CIO reports to the full Board about cybersecurity on an annual basis.

Lisa Dietrich is our CIO. Ms. Dietrich has 25 years of experience in the Information Technology (“IT”) and cybersecurity industry. In her role as CIO, Ms. Dietrich is responsible for assessing and managing material risks from cybersecurity threats, including monitoring the prevention, detection, mitigation and remediation of cybersecurity incidents. On at least a quarterly basis, Ms. Dietrich chairs the IT Governance Committee, which includes the executive management team. The purpose of this committee is to inform and make strategic decisions on IT related matters, including the prevention, detection, mitigation and remediation of cybersecurity incidents. In addition, Ms. Dietrich regularly reviews key cybersecurity risk metrics and reporting designed to measure the effectiveness of related processes and procedures. Ms. Dietrich utilizes this information in her reporting to the Board and Audit Committee of the Board.

ITEM 1D. INFORMATION ABOUT OUR EXECUTIVE OFFICERS

EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Position
Christopher L. Mapes	62	Executive Chairman of the Board since January 1, 2024; Chairman of the Board from December 21, 2013 to December 31, 2023; President and Chief Executive Officer from December 31, 2012 to December 31, 2023; Chief Operating Officer from September 1, 2011 to December 31, 2012; Director since February 2010.
Steven B. Hedlund	57	President and Chief Executive Officer since January 1, 2024; Executive Vice President, Chief Operating Officer from May 9, 2022 to December 31, 2023; Executive Vice President and President, Americas and International Welding from October 21, 2020 to May 9, 2022; Executive Vice President and President, International Welding from June 1, 2017 to October 21, 2020; Senior Vice President and President, Global Automation from January 22, 2015 to June 1, 2017; Senior Vice President, Strategy & Business Development from February 19, 2014 to January 22, 2015; Vice President, Strategy and Business Development from September 15, 2008 to February 19, 2014.
Gabriel Bruno	56	Executive Vice President, Chief Financial Officer and Treasurer since April 22, 2020; Executive Vice President, Finance from January 1, 2019 to April 22, 2020; Executive Vice President, Chief Human Resources Officer from July 1, 2016 to January 1, 2019; Executive Vice President, Chief Human Resources Officer and Chief Information Officer from February 18, 2016 to July 1, 2016; Executive Vice President, Chief Information Officer and Interim Chief Human Resources Officer from March 7, 2015 to February 18, 2016; Executive Vice President, Chief Information Officer from February 19, 2014 to March 7, 2015; Vice President, Chief Information Officer from May 1, 2012 to February 19, 2014; Vice President, Corporate Controller from 2005 to May 1, 2012.
Jennifer I. Ansberry	50	Executive Vice President, General Counsel and Secretary since April 20, 2017; Vice President, Deputy General Counsel from August 1, 2014 to April 20, 2017; Deputy General Counsel from 2004 to August 1, 2014.
Michele R. Kuhrt	57	Executive Vice President, Chief Human Resources Officer since February 25, 2019; Executive Vice President, Chief Information Officer from July 1, 2016 to February 25, 2019; Senior Vice President, Tax from 2006 to July 1, 2016.
Lisa A. Dietrich	51	Executive Vice President, Chief Information Officer since May 9, 2022. Senior Vice President and Chief Information Officer, American Greetings Corporation (a global leader in the large and enduring Celebrations marketplace) from March 2018 until April 2022; Vice President of Business Transformation and Executive Director, American Greetings Corporation from January 2011 to March 2018.
Geoffrey P. Allman	53	Senior Vice President, Strategy and Business Development since January 1, 2019; Senior Vice President, Corporate Controller from January 14, 2014 to January 1, 2019; Corporate Controller from July 1, 2012 to January 14, 2014; Director, Regional Finance North America from October 1, 2009 to July 1, 2012.

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Michael J. Whitehead	50	Senior Vice President, President, Global Automation, Cutting and Additive Businesses since January 1, 2019; Senior Vice President, Strategy and Business Development from August 1, 2016 to January 1, 2019; President, Lincoln Canada from January 1, 2015 to August 1, 2016; Director, New Product Development, Consumables R&D from January 1, 2012 to January 1, 2015.
Peter M. Pletcher	50	Senior Vice President, President, Americas Welding since January 1, 2024; Senior Vice President, President International from August 1, 2022 to December 31, 2023; Senior Vice President, President, International Welding from December 10, 2020 to August 1, 2022; Vice President, President, Europe Welding from April 1, 2019 to December 10, 2020; Vice President, President, Global Automation from January 1, 2018 to April 1, 2019; Director, Business Development, Cutting Products from January 1, 2016 to January 1, 2018.
Gregory Doria	47	Senior Vice President, President, Harris Products Group and Asia Pacific Welding since January 1, 2024; Senior Vice President, President, Harris Products Group from October 1, 2021 to December 31, 2023; Senior Vice President, Chief Operating Officer, Harris Products Group from April 21, 2021 to September 30, 2021; Vice President, Marketing from July 1, 2019 to April 20, 2021; Director, Global Industry Segments from March 1, 2017 to June 30, 2019; Regional Sales Manager, West Region from October 6, 2014 to February 28, 2017.

The Company has been advised that there is no arrangement or understanding among any one of the officers listed and any other persons pursuant to which he or she was elected as an officer. The executive officers are elected by the Board of Directors normally for a term of one year and/or until the election of their successors.

ITEM 2. PROPERTIES

The Company's corporate headquarters and principal United States manufacturing facilities are located in the Cleveland, Ohio area. Total Cleveland area property consists of 244 acres, of which present manufacturing facilities comprise an area of approximately 3,017,090 square feet.

The Company has 71 manufacturing and automation system integration facilities, including operations and joint ventures across 21 countries, the significant locations (grouped by operating segment) of which are as follows:

Americas Welding:

United States	Cleveland, Columbus, Coldwater, Fort Loramie, and Orrville, Ohio; Reno, Nevada; Ladson, South Carolina; Chattanooga, Tennessee; Detroit, Michigan; Fort Collins, Colorado; Bettendorf, Iowa; Churubusco, Indiana.
Brazil	Atibaia; Guarulhos; Sao Paulo; Caxias do Sul.
Canada	Toronto; Mississauga; Hamilton; Montreal; Vankleek Hill.
Colombia	Bogota.
Chile	Santiago.
Mexico	Mexico City; Torreon; Saltillo.

International Welding:

Australia	Newcastle; Gladstone.
Austria	Scheifling.
China	Tangshan; Shanghai; Beijing.
France	Grand-Quevilly; Partheny.
Germany	Essen; Eisenberg; Frankfurt; Merzig.
India	Chennai; Pune.
Italy	Corsalone.
Poland	Bielawa; Dzierzoniow.
Romania	Buzau.
Russia	Mtsensk.
South Korea	Siheung-si.
Spain	Valencia; Zaragoza.
Turkey	Istanbul.
United Kingdom	Sheffield, England; Port Talbot, Wales.

The Harris Products Group:

United States	Mason, Ohio; Gainesville, Georgia; Winston Salem, North Carolina; Gordonsville, Carthage, Tennessee; Florence, Alabama.
Brazil	Maua.
Italy	Verona.
Mexico	Guadalupe.
Poland	Dzierzoniow.
Portugal	Albergaria-a-Velha.

All properties relating to the Company's Cleveland, Ohio headquarters and manufacturing facilities are owned by the Company. Most of the Company's foreign subsidiaries own manufacturing facilities in the country where they are located. The Company believes that its existing properties are in good condition and are suitable for the conduct of its business. In March 2022, in response to Russia's invasion of Ukraine, the Company ceased operations in Russia.

In addition, the Company maintains operating leases for some manufacturing facilities, distribution centers and sales offices throughout the world. Refer to Note 17 to the consolidated financial statements for information regarding the Company's lease commitments.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject, from time to time, to a variety of civil and administrative proceedings arising out of its normal operations, including, without limitation, product liability claims, regulatory claims and health, safety and environmental claims. Among such proceedings are the cases described below.

As of December 31, 2023, the Company was a co-defendant in cases alleging asbestos induced illness involving claims by approximately 1,387 plaintiffs, which is a net decrease of 22 claims from those previously reported. In each instance, the Company is one of a large number of defendants. The asbestos claimants seek compensatory and punitive damages, in most cases for unspecified sums. Since January 1, 1995, the Company has been a co-defendant in other similar cases that have been resolved as follows: 56,986 of those claims were dismissed, 23 were tried to defense verdicts, 7 were tried to plaintiff verdicts (which were reversed or resolved after appeal), 1 was resolved by agreement for an immaterial amount and 1,015 were decided in favor of the Company following summary judgment motions.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

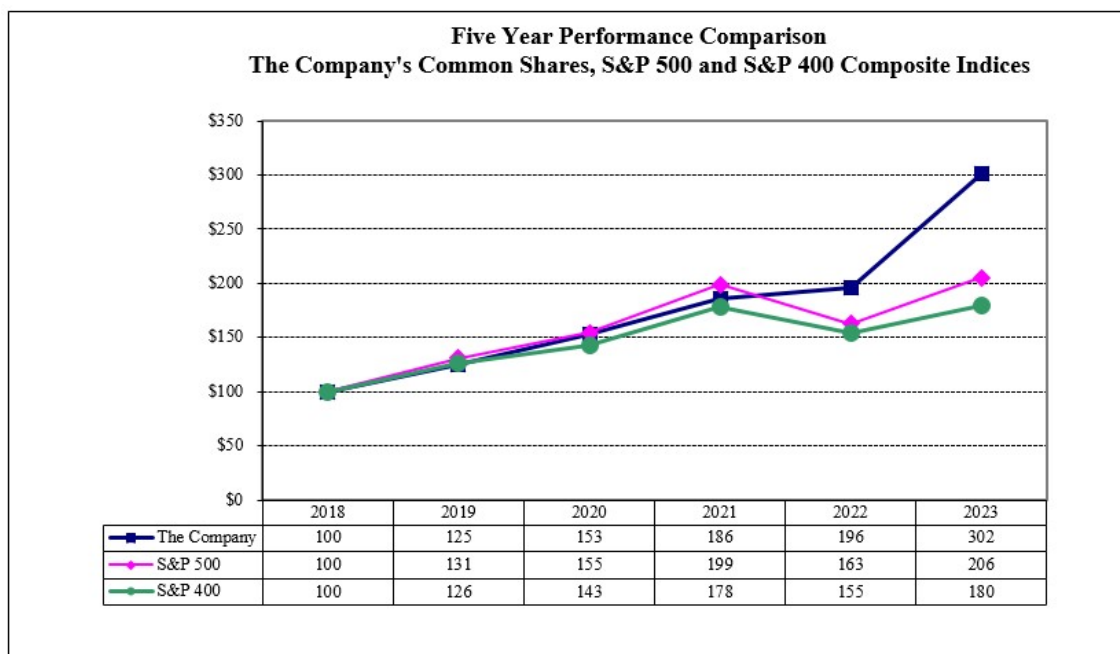
The Company's common shares are traded on The NASDAQ Global Select Market under the symbol "LECO." The number of record holders of common shares at December 31, 2023 was 2,214.

Issuer purchases of equity securities for the fourth quarter 2023 were:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs ⁽²⁾</u>
October 1 - 31, 2023	100,749 ⁽¹⁾	\$ 179.12	98,253	8,107,766
November 1 - 30, 2023	132,659 ⁽¹⁾	188.51	132,617	7,975,149
December 1 - 31, 2023	120,132 ⁽¹⁾	209.13	116,629	7,858,520
Total	353,540	192.84	347,499	

- (1) The above share repurchases include the surrender of the Company's common shares in connection with the vesting of restricted awards.
- (2) On February 12, 2020, the Company's Board of Directors authorized a share repurchase program for up to 10 million shares of the Company's common stock. Total shares purchased through the share repurchase program were 2.1 million shares at a total cost of \$334.9 million for a weighted average cost of \$156.37 per share through December 31, 2023.

The following line graph compares the yearly percentage change in the cumulative total shareholder return on the Company's common stock against the cumulative total return of the S&P Composite 500 Stock Index ("S&P 500") and the S&P 400 MidCap Index ("S&P 400") for the five-year calendar period commencing January 1, 2019 and ending December 31, 2023. This graph assumes that \$100 was invested on December 31, 2018 in each of the Company's common shares, the S&P 500 and the S&P 400. A peer-group index for the welding industry, in general, is not readily available because the industry is comprised of a large number of privately held competitors and competitors that are smaller parts of large publicly traded companies.



ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the Company's consolidated financial statements and other financial information included elsewhere in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those indicated in the forward-looking statements. See "Item 1A. Risk Factors" for more information regarding forward-looking statements.

General

The Company is the world's largest designer and manufacturer of arc welding and cutting products, manufacturing a broad line of arc welding equipment, consumable welding products and other welding and cutting products.

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The Company is one of only a few worldwide broad-line manufacturers of welding, cutting and brazing products. The Company is the world leader in the design, development and manufacture of arc welding products, automated joining, assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

The Company invests in the research and development of arc welding products in order to continue its market leading product offering and improve the quality and productivity of welding applications. In addition, the Company actively protects its innovations with patents and trade secrets globally. The Company believes its significant investment in research and development, its highly trained technical sales force and its extensive distributor network provide a competitive advantage in the marketplace.

The Company's products are sold globally. In the Americas, products are sold principally through industrial distributors, retailers and also directly to users of welding products. Outside of the Americas, the Company has an international sales organization comprised of Company employees and agents who sell products from the Company's various manufacturing sites to distributors and product users.

The Company's major end-user markets include:

- general fabrication,
- energy (oil and gas, power generation and process industries),
- heavy industries (heavy fabrication, ship building and maintenance and repair),
- automotive and transportation, and
- construction and infrastructure.

The Company has, through wholly-owned subsidiaries, manufacturing facilities located in the United States, Australia, Austria, Brazil, Canada, China, Colombia, France, Germany, India, Italy, Mexico, Poland, Portugal, Romania, Russia, South Korea, Spain, Turkey and the United Kingdom.

The principal raw materials essential to the Company's business are steel, electronic components, engines, brass, copper, silver, aluminum alloys, robotic components and various chemicals, all of which are normally available for purchase in the open market.

The Company's facilities are subject to environmental regulations. To date, compliance with these environmental regulations has not had a material adverse effect on the Company's earnings. The Company is ISO 14001 certified at most significant manufacturing facilities in North America and Europe and is progressing towards certification at its remaining facilities worldwide. In addition, the Company is ISO 9001 certified at 46 facilities worldwide.

The Company ensures compliance and the continuous improvement of the environmental performance of its products and operations through its global Environmental, Health, Safety and Quality ("EHS&Q") systems. The Company's systems are guided by Corporate EHS&Q Policy, global directives and corporate standards that establish consistent guidelines for the management, measurement and reporting of environmental, health and safety activities, as well as quality across the Company's global platform. The Company's products support our customers' sustainable operations through enhanced worker safety, reduced emissions, improved energy efficiency, reduced waste and regulatory compliance.

Key Indicators

Key economic measures relevant to the Company include industrial production trends, steel consumption, purchasing manager indices, capacity utilization within durable goods manufacturers and consumer confidence indicators. Key industries which provide a relative indication of demand drivers to the Company include steel, farm machinery and equipment, construction and transportation, fabricated metals, electrical equipment, ship and boat building, defense, truck manufacturing, energy and railroad equipment. Although these measures provide key information on trends relevant to the Company, the Company does not have available a more direct correlation of leading indicators which can provide a forward-looking view of demand levels in the markets which ultimately use the Company's welding products.

Key operating measures utilized by the operating units to manage the Company include orders, backlog, sales, inventory and fill-rates, all of which provide key indicators of business trends. These measures are reported on various cycles including daily, weekly and monthly depending on the needs established by operating management.

Key financial measures utilized by the Company's executive management and operating units in order to evaluate the results of its business and in understanding key variables impacting the current and future results of the Company include: sales; gross profit; selling, general and administrative expenses; operating income; earnings before interest and taxes; earnings before interest, taxes and bonus; net income; adjusted operating income; adjusted earnings before interest and income taxes; adjusted earnings before interest, taxes and bonus; adjusted net income; adjusted diluted earnings per share; operating cash flows; and capital expenditures, as well as applicable ratios such as return on invested capital, adjusted return on invested capital and average operating working capital to sales. These measures are reviewed at monthly, quarterly and annual intervals and are compared with historical periods, as well as objectives established by the Board of Directors of the Company.

The discussion that follows includes a comparison of our results of operations, liquidity and capital resources for fiscal years ended December 31, 2023 and 2022. For a comparison of the Company's results of operations, liquidity and capital resources for the fiscal years ended December 31, 2022 and 2021, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 21, 2023.

Results of Operations

The following table shows the Company's results of operations:

	Year Ended December 31,					
	2023		2022		Favorable (Unfavorable) 2023 vs. 2022	
	Amount	% of Sales	Amount	% of Sales	\$	%
Net sales	\$ 4,191,636		\$ 3,761,211		\$ 430,425	11.4 %
Cost of goods sold	2,726,191		2,480,451		(245,740)	(9.9)%
Gross profit	1,465,445	35.0 %	1,280,760	34.1 %	184,685	14.4 %
Selling, general & administrative expenses	758,910	18.1 %	656,636	17.5 %	(102,274)	(15.6)%
Rationalization and asset impairment charges	(11,314)	(0.3)%	11,788	0.3 %	23,102	196.0 %
Operating income	717,849	17.1 %	612,336	16.3 %	105,513	17.2 %
Interest expense, net	44,371		29,500		(14,871)	(50.4)%
Other income	13,388		9,991		3,397	34.0 %
Income before income taxes	686,866	16.4 %	592,827	15.8 %	94,039	15.9 %
Income taxes	141,618		120,603		(21,015)	(17.4)%
Effective tax rate	20.6 %		20.3 %		(0.3)%	
Net income	\$ 545,248	13.0 %	\$ 472,224	12.6 %	\$ 73,024	15.5 %
Diluted earnings per share	\$ 9.37		\$ 8.04		\$ 1.33	16.5 %

Net Sales:

The following table summarizes the impacts of volume, acquisitions, price and foreign currency exchange rates on Net sales for the twelve months ended December 31, 2023 on a consolidated basis:

	Net Sales 2022	Change in Net Sales due to:				Net Sales 2023
		Volume	Acquisitions	Price	Foreign Exchange	
Lincoln Electric Holdings, Inc.	\$ 3,761,211	\$ 85,686	\$ 276,571	\$ 64,146	\$ 4,022	\$ 4,191,636
% Change						
Lincoln Electric Holdings, Inc.		2.3 %	7.4 %	1.7 %	0.1 %	11.4 %

Net sales increased primarily due to the benefit of acquisitions, higher demand levels and increased product pricing as a result of higher input costs.

Gross Profit:

Gross profit increased for the year ended December 31, 2023 primarily due to pricing actions taken to offset higher inputs costs and favorable segment mix, which offset the impact of acquisitions.

Selling, General & Administrative ("SG&A") Expenses:

SG&A expenses increased in 2023 as compared to 2022 primarily due to acquisitions and higher employee-related costs.

Rationalization and asset impairment charges:

In 2023, the Company recorded a gain of \$11,314 primarily related to the sale of a property offset by rationalization and asset impairment charges within International Welding.

Segment Results*Net Sales:*

The table below summarizes the impacts of volume, acquisitions, price and foreign currency exchange rates on Net sales for the twelve months ended December 31, 2023:

	Net Sales 2022	Change in Net Sales due to:				Net Sales 2023
		Volume ⁽¹⁾	Acquisitions ⁽²⁾	Price ⁽³⁾	Foreign Exchange	
Operating Segments						
Americas Welding	\$ 2,288,934	\$ 109,860	\$ 222,493	\$ 37,125	\$ (2,866)	\$ 2,655,546
International Welding	954,281	12,519	54,078	14,691	4,437	1,040,006
The Harris Products Group	517,996	(36,693)	—	12,330	2,451	496,084
% Change						
Americas Welding		4.8 %	9.7 %	1.6 %	(0.1)%	16.0 %
International Welding		1.3 %	5.7 %	1.5 %	0.5 %	9.0 %
The Harris Products Group		(7.1)%	—	2.4 %	0.5 %	(4.2)%

- (1) Increase for Americas Welding due to higher volumes in all product groups. Increase for International Welding due to higher equipment volumes. Decrease for the Harris Products Group due to weakness in end markets.
- (2) Increase for Americas Welding and International Welding due to the acquisitions discussed in Note 4 to the consolidated financial statements.
- (3) Increase for all segments reflects increased product pricing to offset higher input costs.

Adjusted Earnings Before Interest and Income Taxes (“Adjusted EBIT”):

Segment performance is measured and resources are allocated based on a number of factors, the primary measure being the Adjusted EBIT profit measure. EBIT is defined as Operating income plus Other income. EBIT is adjusted for special items as determined by management such as the impact of rationalization activities, certain asset impairment charges and gains or losses on disposals of assets.

The following table presents Adjusted EBIT by segment:

	Year Ended December 31,		Favorable (Unfavorable) 2023 vs. 2022	
	2023	2022	\$	%
<i>Americas Welding:</i>				
Net sales	\$ 2,655,546	\$ 2,288,934	\$ 366,612	16.0 %
Inter-segment sales	127,536	122,019	5,517	4.5 %
Total Sales	\$ 2,783,082	\$ 2,410,953	\$ 372,129	15.4 %
Adjusted EBIT ⁽⁴⁾	\$ 538,269	\$ 462,819	\$ 75,450	16.3 %
As a percent of total sales ⁽¹⁾	19.3 %	19.2 %		0.1 %
<i>International Welding:</i>				
Net sales	\$ 1,040,006	\$ 954,281	\$ 85,725	9.0 %
Inter-segment sales	31,498	31,503	(5)	—
Total Sales	\$ 1,071,504	\$ 985,784	\$ 85,720	8.7 %
Adjusted EBIT ⁽⁵⁾	\$ 136,497	\$ 120,157	\$ 16,340	13.6 %
As a percent of total sales ⁽²⁾	12.7 %	12.2 %		0.5 %
<i>The Harris Products Group:</i>				
Net sales	\$ 496,084	\$ 517,996	\$ (21,912)	(4.2)%
Inter-segment sales	10,641	11,040	(399)	(3.6)%
Total Sales	\$ 506,725	\$ 529,036	\$ (22,311)	(4.2)%
Adjusted EBIT ⁽⁶⁾	\$ 74,144	\$ 64,008	\$ 10,136	15.8 %
As a percent of total sales ⁽³⁾	14.6 %	12.1 %		2.5 %
<i>Corporate / Eliminations:</i>				
Inter-segment sales	\$ (169,675)	\$ (164,562)	\$ (5,113)	(3.1)%
Adjusted EBIT ⁽⁷⁾	(17,536)	(10,033)	(7,503)	(74.8)%
<i>Consolidated:</i>				
Net sales	\$ 4,191,636	\$ 3,761,211	\$ 430,425	11.4 %
Net income	\$ 545,248	\$ 472,224	\$ 73,024	15.5 %
As a percent of total sales	13.0 %	12.6 %		0.4 %
Adjusted EBIT ⁽⁸⁾	\$ 731,374	\$ 636,951	\$ 94,423	14.8 %
As a percent of sales	17.4 %	16.9 %		0.5 %

(1) Increase for 2023 as compared to 2022 primarily driven by higher volumes and effective cost management, partially offset by the impact of acquisitions.

(2) Increase for 2023 as compared to 2022 primarily driven by higher volumes and effective cost management.

(3) Increase for 2023 compared to 2022 primarily reflects effective cost management and operational improvements.

(4) 2023 excludes the amortization of step up in value of acquired inventories of \$9,390 and Rationalization and asset impairment net charges of \$468.

2022 excludes a favorable adjustment related to the termination of a pension plan of \$3,735, the amortization of step up in value of acquired inventories of \$1,106 and Rationalization and asset impairment gains of \$431 related to severance and gains or losses on the disposal of assets as discussed in Note 7 to the consolidated financial statements.

- (5) 2023 excludes pension settlement charges of \$845, a gain on asset disposal of \$1,646, the amortization of step up in value of acquired inventories of \$2,862 and Rationalization and asset impairment net gains of \$11,782 as discussed in Note 7 to the consolidated financial statements.

2022 excludes Rationalization and asset impairment charges of \$11,681 related to impairment charges as discussed in Note 7 to the consolidated financial statements.

- (6) 2022 excludes the amortization of step up in value of acquired inventories of \$820 related to an acquisition and non-cash pension settlement charges of \$2,965 as discussed in Note 11 to the consolidated financial statements.
- (7) 2022 excludes acquisition transaction and integration costs of \$6,003 as discussed in Note 4 to the consolidated financial statements.
- (8) See non-GAAP Financial Measures for a reconciliation of Net income as reported and Adjusted EBIT.

Non-GAAP Financial Measures

The Company reviews Adjusted operating income, Adjusted EBIT, Adjusted net income, Adjusted effective tax rate, Adjusted diluted earnings per share, Adjusted return on invested capital, and Adjusted net operating profit after taxes, all non-GAAP financial measures, in assessing and evaluating the Company's underlying operating performance. These non-GAAP financial measures exclude the impact of special items on the Company's reported financial results. Non-GAAP financial measures should be read in conjunction with the generally accepted accounting principles in the United States ("GAAP") financial measures, as non-GAAP measures are a supplement to, and not a replacement for, GAAP financial measures. From time to time, management evaluates and discloses to investors the following non-GAAP measures: Free cash flow ("FCF"), defined as Net cash provided by operating activities less Capital expenditures (the Company considers FCF to be a liquidity measure that provides useful information to management and investors about how the amount of cash generated by our business, after the purchase of property and equipment, can be used for debt service, acquisitions, paying dividends and repurchasing our common shares); Cash conversion, defined as FCF divided by Adjusted net income; Organic sales, defined as sales excluding the effects of foreign currency and acquisitions.

The following table presents a reconciliation of Operating income as reported to Adjusted operating income:

	<u>Year Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Operating income as reported	\$ 717,849	\$ 612,336
Special items (pre-tax):		
Rationalization and asset impairment charges ⁽¹⁾	(11,314)	11,788
Acquisition transaction costs ⁽²⁾	—	6,003
Amortization of step up in value of acquired inventories ⁽³⁾	12,252	1,106
Adjusted operating income	<u>\$ 718,787</u>	<u>\$ 631,233</u>

- (1) 2023 reflects a gain on the sale of a property of \$36,187, offset by rationalization and asset impairment charges of \$24,873 within International Welding. 2022 charges are primarily related to employee severance, gains or losses on the disposal of assets and other related costs and non-cash asset impairment charges.
- (2) Costs related to acquisitions and included in Selling, general & administrative expenses.
- (3) Costs related to acquisitions and included in Cost of goods sold.

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The following table presents the reconciliations of Net income as reported to Adjusted net income and Adjusted EBIT, Effective tax rate as reported to Adjusted effective tax rate and Diluted earnings per share as reported to Adjusted diluted earnings per share:

	Year Ended December 31,	
	2023	2022
Net income as reported	\$ 545,248	\$ 472,224
Special items:		
Rationalization and asset impairment charges ⁽¹⁾	(11,314)	11,788
Acquisition transaction costs ⁽²⁾	—	6,003
Pension settlement net charges ⁽³⁾	845	(4,273)
Amortization of step up in value of acquired inventories ⁽⁴⁾	12,252	1,106
Gain on asset disposal ⁽⁵⁾	(1,646)	—
Tax effect of Special items ⁽⁶⁾	2,537	(1,192)
Adjusted net income	\$ 547,922	\$ 485,656
Interest expense, net	44,371	29,500
Income taxes as reported	141,618	120,603
Tax effect of Special items ⁽⁶⁾	(2,537)	1,192
Adjusted EBIT	\$ 731,374	\$ 636,951
Effective tax rate as reported	20.6 %	20.3 %
Net special item tax impact	(0.4)%	(0.2)%
Adjusted effective tax rate	20.2 %	20.1 %
Diluted earnings per share as reported	\$ 9.37	\$ 8.04
Special items per share	0.04	0.23
Adjusted diluted earnings per share	\$ 9.41	\$ 8.27

- (1) 2023 reflects a gain on the sale of a property of \$36,187, offset by rationalization and asset impairment charges of \$24,873 within International Welding. 2022 charges are primarily related to employee severance, gains or losses on the disposal of assets and other related costs and non-cash asset impairment charges.
- (2) Costs related to acquisitions, as discussed in Note 4 to the consolidated financial statements, and are included in Selling, general & administrative.
- (3) 2023 charges related to pension settlement charges. 2022 net gains primarily related to the final settlement associated with the termination of a pension plan, as discussed in Note 11 to the consolidated financial statements.
- (4) Costs related to acquisitions and included in Cost of goods sold.
- (5) Gain on asset disposal and included in Other income.
- (6) Includes the net tax impact of Special items recorded during the respective periods.

The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rates reflect the taxable jurisdiction and nature of each Special item.

Liquidity and Capital Resources

The Company's cash flow from operations can be cyclical. Operational cash flow is a key driver of liquidity. In assessing liquidity, the Company reviews working capital measurements to define areas for improvement. Management anticipates the Company will be able to satisfy cash requirements for its ongoing businesses for the foreseeable future primarily with cash generated by operations, existing cash balances, borrowings under its existing credit facilities and raising debt in capital markets.

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The Company continues to expand globally and periodically consider acquisitions that would involve significant investments. The Company can fund its global expansion plans with operational cash flow, but a significant acquisition may require access to capital markets, in particular, the long-term debt market, as well as the syndicated bank loan market. The Company's financing strategy is to fund itself at the lowest after-tax cost of funding. Where possible, the Company utilizes operational cash flows and raises capital in the most efficient market, usually the United States, and then lends funds to the specific subsidiary needing or requiring funding. If additional acquisitions providing appropriate financial benefits become available, additional expenditures may be made.

The following table reflects changes in key cash flow measures:

	Year Ended December 31,		
	2023	2022	\$ Change
Cash provided by operating activities ⁽¹⁾	\$ 667,542	\$ 383,386	\$ 284,156
Cash used by investing activities ⁽²⁾	(74,729)	(504,691)	429,962
Capital expenditures	(90,987)	(71,883)	(19,104)
Acquisition of businesses, net of cash acquired	(32,685)	(436,298)	403,613
Proceeds from the sale of property, plant and equipment	49,494	3,331	46,163
Cash (used by) provided by financing activities ⁽³⁾	(412,392)	133,725	(546,117)
(Payments on) proceeds from short-term borrowings	(79,873)	34,351	(114,224)
(Payments on) proceeds from long-term borrowings	(8,109)	405,444	(413,553)
Purchase of shares for treasury	(198,765)	(181,293)	(17,472)
Cash dividends paid to shareholders	(148,010)	(130,724)	(17,286)
Increase in Cash and cash equivalents ⁽⁴⁾	196,637	4,192	192,445

- (1) Cash provided by operating activities increased for the twelve months ended December 31, 2023 compared with the twelve months ended December 31, 2022 primarily due to increased earnings and improved working capital.
- (2) Cash used by investing activities decreased for the twelve months ended December 31, 2023 compared with the twelve months ended December 31, 2022 primarily due to less acquisition activity in 2023. The Company currently anticipates capital expenditures of \$90,000 to \$110,000 in 2024. Anticipated capital expenditures include investments to increase capacity and improve operational effectiveness. Management critically evaluates all proposed capital expenditures and expects each project to increase efficiency, reduce costs, promote business growth or improve the overall safety and environmental conditions of the Company's facilities.
- (3) Cash used by financing activities increased in the twelve months ended December 31, 2023 compared with the twelve months ended December 31, 2022 primarily due to increased payments on short- and long-term borrowings as compared with the prior year.
- (4) Cash and cash equivalents increased 99.7%, or \$196,637, to \$393,787 during the twelve months ended December 31, 2023, from \$197,150 as of December 31, 2022. The increase was predominantly due to higher cash provided by operating activities in 2023.

The Company paid \$148,010 and \$130,724 in cash dividends to its shareholders in the twelve months ended December 31, 2023 and 2022, respectively. In January 2024, the Company paid a cash dividend of \$0.71 per share, or \$40,453, to shareholders of record on December 31, 2023, which reflects a 11% increase in the Company's dividend payout rate.

Working Capital Ratios

	2023	2022
Average operating working capital to Net sales ^{(1) (2)}	17.1 %	20.9 %
Days sales in Inventories ⁽³⁾	104.6	132.5
Days sales in Accounts receivable	50.0	57.0
Average days in Trade accounts payable	47.6	57.0

- (1) Average operating working capital to Net sales is defined as the sum of Accounts receivable, Inventories and contract assets less Trade accounts payable and contract liabilities as of period end divided by annualized rolling three months of Net sales.
- (2) In 2022, Average operating working capital excluding Fori would have been 18.6% as a percent of Net Sales.
- (3) In order to minimize supply chain disruptions in serving customers due to the impacts of the COVID-19 pandemic, the Company increased inventories relative to expected Net sales resulting in higher Days sales in Inventories in 2022.

Rationalization and Asset Impairments

Refer to Note 7 to the consolidated financial statements for a discussion of the Company's rationalization plans. The Company believes the rationalization actions will positively impact future results of operations and will not have a material effect on liquidity and sources and uses of capital.

Acquisitions

Refer to Note 4 to the consolidated financial statements for a discussion of the Company's recent acquisitions.

Debt

At December 31, 2023 and 2022, the total amount of debt outstanding was \$1,105,210 and \$1,203,879, respectively, while the fair value of long-term debt, including the current portion, was approximately \$1,013,795 and \$1,009,020, respectively, which was determined using available market information and methodologies requiring judgment. The carrying value of this debt at such dates was \$1,102,771 and \$1,121,435, respectively. Since judgment is required in interpreting market information, the fair value of the debt is not necessarily the amount which could be realized in a current market exchange.

Senior Unsecured Notes

On April 1, 2015 and October 20, 2016, the Company entered into separate Note Purchase Agreements pursuant to which it issued senior unsecured notes (the "Notes") through a private placement. The Notes each have an aggregate principal amount of \$350,000. Interest on the Notes are payable semi-annually. The proceeds of the Notes were used for general corporate purposes. The Notes contain certain affirmative and negative covenants. As of December 31, 2023, the Company was in compliance with all of its debt covenants relating to the Notes.

The Company's total weighted average effective interest rate and remaining weighted average term, inclusive of the 2015 Notes and 2016 Notes, is 3.3% and 10.4 years, respectively.

Term Loan

On November 29, 2022, the Company entered into a term loan in the aggregate principal amount of \$400,000 (the "Term Loan"), which was borrowed in full. The Term Loan matures on November 29, 2025. The Term Loan bears an interest at a rate based on Term SOFR, plus a margin ranging from 0.75% to 1.75% based on the Company's consolidated net

leverage ratio. The proceeds of the Term Loan were used to pay a portion of the purchase price in connection with the acquisition of Fori.

The agreement governing the Term Loan (the “Term Loan Credit Agreement”) contains representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type, including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. The Term Loan Credit Agreement requires the Company to maintain a minimum consolidated fixed charges coverage ratio and maximum consolidated net leverage ratio. As of December 31, 2023, the Company was in compliance with all of its covenants.

Revolving Credit Agreements

On April 23, 2021, the Company amended and restated the agreement governing its line of credit by entering into the Second Amended and Restated Credit Agreement (“Credit Agreement”). The Credit Agreement has a line of credit totaling \$500,000, has a term of 5 years with a maturity date of April 23, 2026 and may be increased, subject to certain conditions including the consent of its lenders, by an additional amount up to \$150,000. On March 8, 2023, the Credit Agreement was amended to replace the LIBOR rate to a term secured overnight finance rate (“SOFR”); as such, the interest rate on borrowings is based on SOFR plus a spread of 0.85% to 1.85% based on (1) the Company’s net leverage ratio and (2) a credit spread adjustment. The Credit Agreement contains customary representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type (subject to negotiated baskets and exceptions), including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. As of December 31, 2023, the Company was in compliance with all of its covenants and had no of outstanding borrowings under the Credit Agreement.

The Company has other lines of credit and debt agreements totaling \$89,145. As of December 31, 2023, the Company was in compliance with all of its covenants and had \$2,435 outstanding at December 31, 2023.

Return on Invested Capital

The Company reviews return on invested capital (“ROIC”) in assessing and evaluating the Company’s underlying operating performance. Adjusted ROIC is a non-GAAP financial measure that the Company believes is a meaningful metric to investors in evaluating the Company’s financial performance and may be different than the method used by other companies to calculate ROIC. Adjusted ROIC is defined as rolling 12 months of Adjusted net income excluding tax-effected interest income and expense divided by invested capital. Invested capital is defined as total debt, which includes Amounts due banks, Current portion of long-term debt and Long-term debt, less current portions, plus Total equity.

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The following table presents the reconciliation of ROIC and Adjusted ROIC to net income:

Return on Invested Capital	2023	2022
Net income as reported	\$ 545,248	\$ 472,224
Plus: Interest expense (after-tax)	38,050	23,276
Less: Interest income (after-tax)	5,033	1,202
Net operating profit after taxes	\$ 578,265	\$ 494,298
Special items:		
Rationalization and asset impairment charges	(11,314)	11,788
Acquisition transaction costs	—	6,003
Pension settlement net charges	845	(4,273)
Amortization of step up in value of acquired inventories	12,252	1,106
Gain on asset disposal	(1,646)	—
Tax effect of Special items ⁽¹⁾	2,537	(1,192)
Adjusted net operating profit after taxes	\$ 580,939	\$ 507,730
Invested Capital		
Short-term debt	\$ 2,439	\$ 93,483
Long-term debt, less current portion	1,102,771	1,110,396
Total debt	1,105,210	1,203,879
Total equity	1,308,852	1,034,041
Invested capital	\$ 2,414,062	\$ 2,237,920
Return on invested capital as reported	24.0 %	22.1 %
Adjusted return on invested capital	24.1 %	22.7 %

(1) Includes the net tax impact of Special items recorded during the respective periods.

The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rate reflects the taxable jurisdiction and nature of each Special item.

Contractual and Other Obligations

The Company's cash requirements for contractual and other obligations as of December 31, 2023 are as follows:

	Payments Due By Period				
	Total	2024	2025 to 2026	2027 to 2028	2029 and Beyond
Long-term debt, including current portion (Note 9)	\$ 1,100,009	\$ 4	\$ 500,005	\$ 100,000	\$ 500,000
Interest on long-term debt (Note 9)	258,448	23,135	43,120	39,970	152,223
Amounts due banks (Note 9)	2,435	2,435	—	—	—
Operating leases (Note 17)	61,229	14,574	20,808	11,200	14,647
Purchase commitments ⁽¹⁾	107,903	106,869	1,000	34	—
Transition Tax ⁽²⁾	5,788	—	5,788	—	—
Total	\$ 1,535,812	\$ 147,017	\$ 570,721	\$ 151,204	\$ 666,870

(1) Purchase commitments include contractual obligations for raw materials and services.

(2) Federal income taxes on the Company's transition tax pursuant to the U.S. Tax Act is payable over eight years. Amounts reflect the utilization of 2018 overpayments and foreign tax credits.

As of December 31, 2023, there were \$12,592 of tax liabilities related to unrecognized tax benefits and a \$53,628 liability for deferred compensation. Because of the high degree of uncertainty regarding the timing of future cash outflows associated with these liabilities, the Company is unable to estimate the years in which settlement will occur.

Stock-Based Compensation

On April 19, 2023, the shareholders of the Company approved the 2023 Equity and Incentive Compensation Plan ("2023 Employee Plan"), which replaced the 2015 Equity and Incentive Compensation Plan ("2015 Employee Plan"). The 2023 Employee Plan provides for the granting of options, appreciation rights, restricted shares, restricted stock units and performance-based awards up to an additional 2,025,000 of the Company's common shares. In addition, on April 19, 2023, the shareholders of the Company approved the 2023 Stock Plan for Non-Employee Directors ("2023 Director Plan"), which replaced the 2015 Stock Plan for Non-Employee Directors ("2015 Director Plan"). The 2023 Director Plan provides for the granting of options, restricted shares and restricted stock units up to an additional 200,000 of the Company's common shares. At December 31, 2023, there were 2,192,720 common shares available for future grant under all plans.

Under these plans, the number of options, restricted shares and restricted stock units granted were 241,824 in 2023 and 284,946 in 2022. The Company issued common shares from treasury upon all exercises of stock options, vesting of restricted stock units and the granting of restricted stock awards in 2023 and 2022.

Total stock-based compensation expense recognized in the Consolidated Statements of Income for 2023 and 2022 was \$26,223 and \$25,276, respectively, with a related tax benefit of \$6,711 and \$6,363, respectively. As of December 31, 2023, total unrecognized stock-based compensation expense related to non-vested stock options and restricted stock units was \$17,254, which is expected to be recognized over a weighted average period of approximately one year.

The aggregate intrinsic value of options outstanding and exercisable, which would have been received by the optionees, had all awards been exercised at December 31, 2023 was \$99,884 and \$82,057, respectively. The total intrinsic value of awards exercised during 2023 and 2022 was \$35,414 and \$7,082, respectively.

Product Liability Costs

Product liability costs incurred can be volatile and are largely related to trial activity. The costs associated with these claims are predominantly defense costs which are recognized in the periods incurred.

The long-term impact of product liability contingencies, in the aggregate, on operating results, operating cash flows and access to capital markets is difficult to assess, particularly since claims are in many different stages of development and the Company benefits significantly from cost sharing with co-defendants and insurance carriers. Moreover, the Company has been largely successful to date in its defense of these claims.

Off-Balance Sheet Arrangements

The Company utilizes letters of credit to back certain payment and performance obligations. Letters of credit are subject to limits based on amounts outstanding under the Company's Credit Agreement.

New Accounting Pronouncements

Refer to Note 1 to the consolidated financial statements for a discussion of new accounting pronouncements.

Critical Accounting Policies and Estimates

The Company's consolidated financial statements are based on the selection and application of significant accounting policies, which require management to make estimates and assumptions. These estimates and assumptions are reviewed periodically by management and compared to historical trends to determine the accuracy of estimates and assumptions

used. If warranted, these estimates and assumptions may be changed as current trends are assessed and updated. Historically, the Company's estimates have been determined to be reasonable. No material changes to the Company's accounting policies were made during 2023. The Company believes the following accounting policies are some of the more critical judgment areas affecting its financial condition and results of operations.

Legal and Tax Contingencies

The Company, like other manufacturers, is subject from time to time to a variety of civil and administrative proceedings arising in the ordinary course of business. Such claims and litigation include, without limitation, product liability claims, administrative claims, regulatory claims and health, safety and environmental claims, some of which relate to cases alleging asbestos induced illnesses. The costs associated with these claims are predominantly defense costs, which are recognized in the periods incurred. Insurance reimbursements mitigate these costs and, where reimbursements are probable, they are recognized in the applicable period. With respect to costs other than defense costs (i.e., for liability and/or settlement or other resolution), reserves are recorded when it is probable that the contingencies will have an unfavorable outcome. The Company accrues its best estimate of the probable costs after a review of the facts with management and counsel and taking into account past experience. If an unfavorable outcome is determined to be reasonably possible but not probable, or if the amount of loss cannot be reasonably estimated, disclosure would be provided for material claims or litigation. Many of the current cases are in differing procedural stages and information on the circumstances of each claimant, which forms the basis for judgments as to the validity or ultimate disposition of such actions, varies greatly. Therefore, in many situations a range of possible losses cannot be made. Reserves are adjusted as facts and circumstances change and related management assessments of the underlying merits and the likelihood of outcomes change. Moreover, reserves only cover identified and/or asserted claims. Future claims could, therefore, give rise to increases to such reserves.

The Company is subject to taxation from U.S. federal, state, municipal and international jurisdictions. The calculation of current income tax expense is based on the best information available and involves significant management judgment. The actual income tax liability for each jurisdiction in any year can in some instances be ultimately determined several years after the financial statements are published.

The Company maintains liabilities for unrecognized tax benefits related to uncertain income tax positions in various jurisdictions. The Company uses judgment in determining whether the technical merits of tax positions are more-likely-than-not to be sustained. Judgment is also used in measuring the related amount of tax benefit that qualifies for recognition, including the interpretation of applicable tax law, regulation and tax ruling.

Liabilities are settled primarily through the completion of audits within each individual tax jurisdiction or the closing of the statute of limitations. Liabilities can be affected by changes in applicable tax law, regulations, tax rulings or such other factors, which may cause management to believe a revision of past estimates is appropriate. Management believes that an appropriate liability has been established for uncertain income tax positions; however, actual results may materially differ from these estimates. Refer to Note 13 to the consolidated financial statements for further discussion of uncertain income tax positions.

Deferred Income Taxes

Deferred income taxes are recognized at currently enacted tax rates for temporary differences between the GAAP and income tax basis of assets and liabilities and operating loss and tax credit carry-forwards. The Company will repatriate earnings for certain non-U.S. subsidiaries, which are subject to foreign withholding taxes. The Company considers any remaining earnings and outside basis in all other non-U.S. subsidiaries to be indefinitely reinvested and has not recorded any deferred taxes as such estimate is not practicable.

At December 31, 2023, the Company had approximately \$172,734 of gross deferred tax assets related to deductible temporary differences and tax loss and credit carry-forwards, which may reduce taxable income in future years. In assessing the realizability of deferred tax assets, the Company assesses whether it is more-likely-than-not that a portion or all of the deferred tax assets will not be realized. The Company considers the scheduled reversal of deferred tax

liabilities, tax planning strategies and projected future taxable income in making this assessment. At December 31, 2023, a valuation allowance of \$36,876 was recorded against certain deferred tax assets based on this assessment. The Company believes it is more-likely-than-not that the tax benefit of the remaining net deferred tax assets will be realized. The amount of net deferred tax assets considered realizable could be increased or reduced in the future if the Company's assessment of future taxable income or tax planning strategies changes.

Inventories

Inventories are valued at the lower of cost or net realizable value. Fixed manufacturing overhead costs are allocated to inventory based on normal production capacity and abnormal manufacturing costs are recognized as period costs. Cost for a substantial portion of U.S. inventories is determined on a LIFO basis. LIFO was used for 37% and 38% of total inventories at December 31, 2023 and 2022, respectively. Cost of other inventories is determined by costing methods that approximate a FIFO basis. The valuation of LIFO inventories is made at the end of each year based on inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. Actual year-end inventory levels and costs may differ from interim LIFO inventory valuations. The excess of current cost over LIFO cost was \$129,946 at December 31, 2023 and \$133,909 at December 31, 2022.

The Company reviews the net realizable value of inventory on an on-going basis with consideration given to deterioration, obsolescence and other factors. If actual market conditions differ from those projected by management, and the Company's estimates prove to be inaccurate, write-downs of inventory values and adjustments to Cost of goods sold may be required. Historically, the Company's reserves have approximated actual experience.

Long-Lived Assets

The Company periodically evaluates whether current facts or circumstances indicate that the carrying value of its depreciable long-lived assets, including leases and intangible assets that do not have indefinite lives, to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, a loss is recognized to the extent that carrying value exceeds fair value. Fair value is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows.

Goodwill and Intangibles

The Company performs an annual impairment test of goodwill and indefinite-lived intangible assets in the fourth quarter using the same date each year or more frequently if changes in circumstances or the occurrence of events indicate potential impairment.

The fair value of each indefinite-lived intangible asset is compared to its carrying value and an impairment charge is recorded if the carrying value exceeds the fair value. For goodwill, the Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, and whether it is necessary to perform the quantitative goodwill impairment test. The quantitative test is only required if the Company concludes that it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. The Company may also perform a quantitative test in instances where the more-likely-than-not threshold has not been met, including when general macroeconomic conditions or changes to the reporting unit warrant a refresh of the baseline used in a qualitative test. For quantitative testing, the Company compares the fair value of each reporting unit with its carrying amount. If the carrying amount exceeds the fair value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Fair values are determined using established business valuation techniques and models developed by the Company, estimates of market participant assumptions of future cash flows, future growth rates and discount rates to value estimated cash flows. Changes in economic and operating conditions, actual growth below the assumed market participant assumptions or an increase in the discount rate could result in an impairment charge in a future period.

Acquisitions

Upon acquisition of a business, the Company uses the income, market or cost approach (or a combination thereof) for the valuation as appropriate. The valuation inputs in these models and analyses are based on market participant assumptions. Market participants are considered to be buyers and sellers unrelated to the Company in the principal or most advantageous market for the asset or liability.

Fair value estimates are based on a series of judgments about future events and uncertainties and rely on estimates and assumptions. Management values property, plant and equipment using the cost approach supported where available by observable market data, which includes consideration of obsolescence. Management values acquired intangible assets using the relief from royalty method or excess earnings method, forms of the income approach supported by observable market data for peer companies. The significant assumptions used to estimate the value of the acquired intangible assets include discount rates and certain assumptions that form the basis of future cash flows (such as revenue growth rates, customer attrition rates and royalty rates). Acquired inventories are marked to fair value. For certain items, the pre-acquisition carrying value is determined to be a reasonable approximation of fair value based on information available to the Company. Refer to Note 4 to the consolidated financial statements for additional details.

Revenue Recognition

Revenue is recognized when obligations under the terms of a contract are satisfied and control is transferred to the customer. Revenue is measured as the amount of consideration the Company expects to be entitled to in exchange for goods or services. Substantially all of the Company's sales arrangements are short-term in nature involving a single performance obligation. The Company recognizes revenue when the performance obligation is satisfied and control of the product is transferred to the customer based upon shipping terms. In addition, certain customized automation performance obligations are accounted for over time. Under this method, revenue recognition is primarily based upon the ratio of costs incurred to date compared with estimated total costs to complete. The cumulative impact of revisions to total estimated costs is reflected in the period of the change, including anticipated losses. Less than 10% of the Company's Net sales are recognized over time.

The Company recognizes any discounts, credits, returns, rebates and incentive programs based on reasonable estimates as a reduction of sales to arrive at Net sales at the same time the related revenue is recorded. Taxes collected by the Company, including sales tax and value added tax, are excluded from Net sales. The Company recognizes freight billed as a component of Net sales and shipping costs as a component of Cost of goods sold when control transfers to the customer. Sales commissions are expensed when incurred because the amortization period is generally one year or less. These costs are recorded within Selling, general and administrative expenses in the Company's Consolidated Statements of Income.

Refer to Note 2 to the consolidated financial statements for additional details.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary financial market risks include fluctuations in currency exchange rates, commodity prices and interest rates. The Company manages these risks by using derivative financial instruments in accordance with established policies and procedures. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes.

Included below is a sensitivity analysis based upon a hypothetical 10% weakening or strengthening in the U.S. dollar compared to foreign currency exchange rates at December 31, 2023, a 10% change in pricing of commodity contracts

and a 100 basis point increase in effective and variable interest rates at December 31, 2023. The derivative, borrowing and investment arrangements in effect at December 31, 2023 were compared to the hypothetical foreign exchange or interest rates in the sensitivity analysis to determine the effect on the Company's current period consolidated financial statements.

Foreign Currency Exchange Risk

The Company enters into forward foreign exchange contracts principally to hedge the currency fluctuations in transactions denominated in foreign currencies, thereby limiting the Company's risk that would otherwise result from changes in exchange rates.

At December 31, 2023, the Company hedged certain third-party and intercompany purchases and sales. The gross notional dollar amount of these foreign exchange contracts at December 31, 2023 was \$84,148. At December 31, 2023, a hypothetical 10% strengthening or weakening in the U.S. dollar would have changed Accumulated other comprehensive income (loss) by \$1,744.

The Company enters into forward foreign exchange contracts to hedge transaction exposures or significant cross-border intercompany loans by either purchasing or selling specified amounts of foreign currency at a specified date. The gross notional dollar amount of these foreign exchange contracts at December 31, 2023 was \$492,600. A hypothetical 10% change in the year-end exchange rates would have resulted in an increase or decrease to Income before income taxes of \$25,267 related to these positions. However, any loss (or gain) resulting from a hypothetical 10% change would be offset by the associated gain (or loss) on the underlying balance sheet exposure and would ultimately not materially affect the Company's financial statements. The Company also has a foreign currency forward contract hedge designated as a net investment hedge with a notional dollar amount of \$119,607 at December 31, 2023. At December 31, 2023, a hypothetical 10% strengthening or weakening in the U.S. dollar would have changed Accumulated other comprehensive income (loss) by \$11,658.

Commodity Price Risk

From time to time, the Company uses various hedging arrangements to manage exposures related to price risk from commodity purchases. These hedging arrangements have the effect of fixing for specified periods the prices the Company will pay for the volume to which the hedge relates. The notional amount of these contracts was 200,000 pounds at December 31, 2023. At December 31, 2023, a hypothetical 10% change in the price would have resulted in an increase or decrease to the value of the contracts by \$74.

Interest Rate Risk

In anticipation of future debt issuance associated with the Notes referenced in Note 9 to the consolidated financial statements, the Company has interest rate forward starting swap agreements to hedge the variability of future changes in interest rates. The gross notional dollar value of these contracts was \$100,000 at December 31, 2023. At December 31, 2023, a hypothetical 100 basis point increase to effective interest rates would have changed Accumulated other comprehensive income (loss) by \$6,054. At December 31, 2023, a hypothetical 100 basis point increase to variable interest rates would have changed Interest expense by approximately \$2,500.

In March 2023, the Company entered into interest rate swap agreements, which were qualified and designated as cash flow hedges, with an aggregate notional amount of \$150,000. At December 31, 2023, a hypothetical 100 basis point increase to effective interest rates would have changed Accumulated other comprehensive income (loss) by \$2,599.

The fair value of the Company's cash and cash equivalents at December 31, 2023 approximated cost due to the short-term duration. These financial instruments are subject to concentrations of credit risk. The Company has minimized this risk by entering into investments with a number of major banks and financial institutions and investing in high-quality instruments. The Company does not expect any counter-parties to fail to meet their obligations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this item is submitted in a separate section of this Annual Report on Form 10-K following the signature page.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of disclosure controls and procedures, as such term is defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of internal control over financial reporting as of December 31, 2023 based on the 2013 framework in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under such framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which is included elsewhere in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the fourth quarter of 2023 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the quarter ended December 31, 2023, none of the Company's directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company is expected to file its 2024 proxy statement pursuant to Regulation 14A of the Exchange Act within 120 days after December 31, 2023.

Except for the information set forth within Part I, Item 1D section of this Annual Report on Form 10-K concerning our Executive Officers, the information required by this item is incorporated by reference from the 2024 proxy statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the 2024 proxy statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from the 2024 proxy statement.

For further information on the Company's equity compensation plans, see Note 1 and Note 10 to the Company's consolidated financial statements.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the 2024 proxy statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference from the 2024 proxy statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The following reports and consolidated financial statements of the Company are included in a separate section of this report following the signature page and certifications:

Report of Independent Registered Public Accounting Firm (PCAOB ID 42)

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Consolidated Statements of Income – Years ended December 31, 2023, 2022 and 2021

Consolidated Statements of Comprehensive Income – Years ended December 31, 2023, 2022 and 2021

Consolidated Balance Sheets – December 31, 2023 and 2022

Consolidated Statements of Equity – Years ended December 31, 2023, 2022 and 2021

Consolidated Statements of Cash Flows – Years ended December 31, 2023, 2022 and 2021

Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

The following consolidated financial statement schedule of the Company is included in a separate section of this report following the signature page:

Schedule II – Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange.

Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted.

(a)(3) Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of Lincoln Electric Holdings, Inc. (filed as Exhibit 3.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on September 27, 2011, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
3.2	Amended and Restated Code of Regulations of Lincoln Electric Holdings, Inc., as amended on February 15, 2023 (filed as Exhibit 3.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on February 17, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
4.1	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934 (filed as Exhibit 4.1 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2019, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.1	Second Amended and Restated Credit Agreement, dated as of April 23, 2021, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Electric Automation, Inc., Lincoln Global, Inc., the Lenders and KeyBank National Association (filed as Exhibit 10.4 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.2	First Amendment to Second Amendment and Restated Credit Agreement, dated as of March 8, 2023, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Electric Automation, Inc., Lincoln Global, Inc., the Lenders and KeyBank National Association (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.3	Credit Agreement, dated as of November 29, 2022, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Electric Automation, Inc., Lincoln Global, Inc., the Lenders and PNC Bank, National Association (filed as Exhibit 10.1 to form 8-K of Lincoln Electric Holdings, Inc. filed on December 1, 2022, SEC File No. 0-1402 and incorporated herein by reference and made a part hereof).
10.4	Note Purchase Agreement, dated as of April 1, 2015, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Techalloy, Inc., Wayne Trail Technologies, Inc. and the purchasers party thereto (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on April 2, 2015, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).

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10.5	Amendment No. 1 to Note Purchase Agreement, dated as of April 1, 2015, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Techalloy, Inc., Wayne Trail Technologies, Inc. and the purchasers party thereto, dated July 30, 2019 (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended September 30, 2019, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.6	Note Purchase Agreement, dated as of October 20, 2016, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Techalloy, Inc. and Wayne Trail Technologies, Inc. and the purchaser party thereto (filed as Exhibit 10.4 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2016, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.7*	Non-Employee Directors' Deferred Compensation Plan (Amended and Restated as of January 1, 2021) (filed as Exhibit 10.18 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.8*	2005 Deferred Compensation Plan for Executives (Amended and Restated as of January 1, 2021) (filed as Exhibit 10.21 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.9*	The Lincoln Electric Company Restoration Plan (filed as Exhibit 4.3 to Form S-8 of Lincoln Electric Holdings, Inc. filed on December 19, 2016, SEC File No. 333-215168, and incorporated herein by reference and made a part hereof).
10.10*	Amendment No. 1 to The Lincoln Electric Company Restoration Plan (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended September 30, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.11*	The Lincoln Electric Company Employee Savings Plan As Amended and Restated Effective April 25, 2022 (filed herewith).
10.12*	Amendment No. 1 to The Lincoln Electric Company Employee Savings Plan As Amended and Restated Effective April 25, 2022 (filed herewith).
10.13*	Amendment No. 2 to The Lincoln Electric Company Employee Savings Plan As Amended and Restated Effective April 25, 2022 (filed herewith).
10.14*	Form of Change in Control Severance Agreement (as entered into by the Company and its executive officers) (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on November 21, 2017, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.15*	Amendment No. 1 to Form of Change in Control Severance Agreement (as entered into by the Company and its executive officers) (filed as Exhibit 10.5 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended September 30, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.16*	2006 Equity and Performance Incentive Plan (Restated as of March 3, 2011) (filed as Annex A to Lincoln Electric Holdings, Inc. proxy statement filed on March 18, 2011, SEC File No. 0-1402 and incorporated herein by reference and made a part hereof).
10.17*	2015 Equity and Incentive Compensation Plan (filed as Appendix B to Lincoln Electric Holdings, Inc. definitive proxy statement filed on March 18, 2015, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.18*	2015 Stock Plan for Non-Employee Directors (filed as Appendix C to Lincoln Electric Holdings, Inc. definitive proxy statement filed on March 18, 2015, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.19*	Amendment No. 1 to the 2015 Stock Plan for Non-Employee Directors (filed as Appendix C to Lincoln Electric Holdings, Inc. proxy statement dated March 20, 2017, SEC File No. 0-1402, and incorporated by reference and made a part hereof).

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10.20*	2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on April 21, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.21*	2023 Stock Plan for Non-Employee Directors (filed as Exhibit 10.2 to Form 8-K of Lincoln Electric Holdings, Inc. filed on April 21, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.22*	Form of Restricted Stock Unit Agreement for Non-Employee Directors (filed as Exhibit 10.31 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.23*	Form of Restricted Stock Unit Agreement for Non-Employee Directors under 2023 Stock Plan for Non-Employee Directors (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.24*	Form of Restricted Stock Unit Agreement for Non-Employee Directors under 2023 Stock Plan for Non-Employee Directors (filed herewith).
10.25*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.27 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2017, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.26*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.28 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2017, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.27*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.37 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2018, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.28*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.38 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2019, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.29*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.30*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.31*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.32*	Form of Stock Option Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.33*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.33 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2013, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.34*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.35*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.36*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).

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10.37*	Form of Restricted Stock Unit Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.38*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.39*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended March 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.40*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.4 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.41*	Form of Performance Share Award Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.4 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.42*	Form of Officer Indemnification Agreement (effective February 23, 2012) (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on February 29, 2012, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.43*	Form of Director Indemnification Agreement (effective February 23, 2012) (filed as Exhibit 10.2 to Form 8-K of Lincoln Electric Holdings, Inc. filed on February 29, 2012, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
21	Subsidiaries of the Registrant (filed herewith).
23	Consent of Independent Registered Public Accounting Firm (filed herewith).
24	Powers of Attorney (filed herewith).
31.1	Certification by the Chairman, President and Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification by the Executive Vice President, Chief Financial Officer and Treasurer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 (filed herewith).
32.1	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
97	Lincoln Electric Holdings, Inc. Clawback Policy (Effective October 2, 2023) (filed herewith).
101.INS	Inline XBRL Instance Document
101.SC	Inline XBRL Taxonomy Extension Schema Document
101.CA	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LA	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PR	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DE	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

* Reflects management contract or other compensatory arrangement required to be filed as an exhibit pursuant to Item 15(b) of this report.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LINCOLN ELECTRIC HOLDINGS, INC.

By: /s/ Gabriel Bruno

Gabriel Bruno
Executive Vice President, Chief Financial Officer and
Treasurer
(principal financial and accounting officer)
February 27, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Steven B. Hedlund

Steven B. Hedlund,
President and Chief Executive Officer
(principal executive officer)
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno,
Executive Vice President, Chief Financial Officer and
Treasurer
(principal financial and accounting officer)
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Brian D. Chambers, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Curtis E. Espeland, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Bonnie J. Fetch, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Patrick P. Goris, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Michael F. Hilton, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Marc A. Howze, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Kathryn Jo Lincoln, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Christopher L. Mapes, Executive Chairman of the Board
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Phillip J. Mason, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Ben P. Patel, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Hellene S. Runtagh, Director
February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno as
Attorney-in-Fact for
Kellye L. Walker, Director
February 27, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Lincoln Electric Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Lincoln Electric Holdings, Inc. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 27, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Goodwill impairment evaluation – Reporting Unit within Americas Welding Segment

Description of the Matter As disclosed in Note 5 to the consolidated financial statements, at December 31, 2023, the Company's total goodwill was \$694.5 million, of that, \$497.6 million relates to the Americas Welding segment. As disclosed in Note 1 to the consolidated financial statements, goodwill is tested for impairment in the fourth quarter using the same date each year or more frequently if changes in circumstances or the occurrence of events indicate potential impairment. The Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount and whether it is necessary to perform a quantitative goodwill impairment test. The Company may perform a quantitative test in instances where the more-likely-than-not threshold has not been met, including when general macroeconomic conditions or changes to the reporting unit warrant a refresh of the baseline used in a qualitative test. The Company performed a quantitative assessment for a reporting unit within the Americas Welding segment and determined that the fair value of the reporting unit was in excess of the carrying value.

Auditing the annual goodwill impairment test for the aforementioned reporting unit under the quantitative assessment was complex and judgmental due to the significant estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate using the income approach was sensitive to significant assumptions such as the weighted average cost of capital and the terminal period revenue growth rate. Elements of these significant assumptions are forward-looking and could be affected by future economic conditions.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment evaluation, including controls over the significant assumptions mentioned above.

To test the estimated fair value used in the Company's annual goodwill impairment test for the reporting unit within the Americas Welding segment, our audit procedures included, among others, assessing the valuation methodology, testing the significant assumptions discussed above, and testing the completeness and accuracy of the underlying data used by the Company in its analysis. As it pertains to the terminal period revenue growth rate, we compared the significant assumptions used by management to third party industry data and economic trends, changes to the Company's business model, customer base or product mix, as applicable. We involved valuation specialists to assist with our evaluation of the methodology applied and the reasonableness of certain assumptions selected by management, including, the weighted average cost of capital. Specifically, we evaluated the components of the weighted average cost of capital assumptions used by performing an independent corroborative analysis with involvement of valuation specialists. We performed sensitivity analyses of assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the significant assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since at least 1923, but we are unable to determine the specific year.

Cleveland, OH
February 27, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Lincoln Electric Holdings, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Lincoln Electric Holdings, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Lincoln Electric Holdings, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2023 consolidated financial statements of the Company and our report dated February 27, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Cleveland, Ohio
February 27, 2024

LINCOLN ELECTRIC HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

	Year Ended December 31,		
	2023	2022	2021
Net sales (Note 2)	\$ 4,191,636	\$ 3,761,211	\$ 3,234,180
Cost of goods sold	2,726,191	2,480,451	2,165,575
Gross profit	1,465,445	1,280,760	1,068,605
Selling, general & administrative expenses	758,910	656,636	597,109
Rationalization and asset impairment charges (Note 7)	(11,314)	11,788	9,827
Operating income	717,849	612,336	461,669
Interest expense, net	44,371	29,500	22,214
Other income (expense) (Note 12)	13,388	9,991	(114,457)
Income before income taxes	686,866	592,827	324,998
Income taxes (Note 13)	141,618	120,603	48,418
Net income	<u>\$ 545,248</u>	<u>\$ 472,224</u>	<u>\$ 276,580</u>
Basic earnings per share (Note 3)	<u>\$ 9.50</u>	<u>\$ 8.14</u>	<u>\$ 4.66</u>
Diluted earnings per share (Note 3)	<u>\$ 9.37</u>	<u>\$ 8.04</u>	<u>\$ 4.60</u>
Cash dividends declared per share	<u>\$ 2.63</u>	<u>\$ 2.32</u>	<u>\$ 2.09</u>

See notes to these consolidated financial statements.

LINCOLN ELECTRIC HOLDINGS, INC.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 545,248	\$ 472,224	\$ 276,580
Other comprehensive income (loss), net of tax:			
Unrealized gain on derivatives designated and qualifying as cash flow hedges	2,627	5,815	5,607
Defined pension plan activity	(215)	11,450	88,539
Currency translation adjustment	43,139	(35,084)	(50,514)
Other comprehensive income (loss):	45,551	(17,819)	43,632
Comprehensive income	<u>\$ 590,799</u>	<u>\$ 454,405</u>	<u>\$ 320,212</u>

See notes to these consolidated financial statements.

LINCOLN ELECTRIC HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	December 31,	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 393,787	\$ 197,150
Accounts receivable (less allowance for doubtful accounts of \$11,464 in 2023; \$12,556 in 2022)	538,830	541,529
Inventories (Note 16)	562,864	665,451
Other current assets	197,630	153,660
Total Current Assets	1,693,111	1,557,790
Property, plant and equipment, net (Note 1)	575,316	544,871
Intangibles, net (Note 5)	186,667	202,706
Goodwill (Note 5)	694,452	665,257
Deferred income taxes (Note 13)	45,176	22,811
Other assets	182,575	187,111
TOTAL ASSETS	\$ 3,377,297	\$ 3,180,546
LIABILITIES AND EQUITY		
Current Liabilities		
Amounts due banks (Note 9)	\$ 2,435	\$ 82,444
Trade accounts payable	325,435	352,079
Accrued employee compensation and benefits	112,373	109,369
Dividends payable	40,453	36,879
Other current liabilities	273,910	261,087
Current portion of long-term debt (Note 9)	4	11,039
Total Current Liabilities	754,610	852,897
Long-term debt, less current portion (Note 9)	1,102,771	1,110,396
Deferred income taxes (Note 13)	13,146	17,022
Other liabilities	197,918	166,190
Total Liabilities	2,068,445	2,146,505
Shareholders' Equity		
Preferred shares, without par value - at stated capital amount; authorized - 5,000,000 shares; issued and outstanding - none	—	—
Common shares, without par value - at stated capital amount; authorized - 240,000,000 shares; issued - 98,581,434 shares in 2023 and 2022; outstanding - 56,975,815 shares in 2023 and 57,623,539 shares in 2022	9,858	9,858
Additional paid-in capital	523,357	481,857
Retained earnings	3,688,038	3,306,500
Accumulated other comprehensive loss (Note 8)	(229,847)	(275,398)
Treasury shares, at cost - 41,605,619 shares in 2023 and 40,957,895 shares in 2022	(2,682,554)	(2,488,776)
Total Equity	1,308,852	1,034,041
TOTAL LIABILITIES AND TOTAL EQUITY	\$ 3,377,297	\$ 3,180,546

See notes to these consolidated financial statements.

LINCOLN ELECTRIC HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except per share amounts)

	Common Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total
Balance at December 31, 2020	59,641	\$ 9,858	\$ 409,958	\$ 2,821,359	\$ (301,211)	\$ (2,149,714)	\$ 790,250
Net income				276,580			276,580
Unrecognized amounts from defined benefit pension plans, net of tax					88,539		88,539
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					5,607		5,607
Currency translation adjustment					(50,514)		(50,514)
Cash dividends declared – \$2.09 per share				(124,669)			(124,669)
Stock-based compensation activity	393		38,720			4,299	43,019
Purchase of shares for treasury	(1,247)					(164,526)	(164,526)
Other			2,590	(2,967)			(377)
Balance at December 31, 2021	58,787	9,858	451,268	2,970,303	(257,579)	(2,309,941)	863,909
Net income				472,224			472,224
Unrecognized amounts from defined benefit pension plans, net of tax					11,450		11,450
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					5,815		5,815
Currency translation adjustment					(35,084)		(35,084)
Cash dividends declared – \$2.32 per share				(134,931)			(134,931)
Stock-based compensation activity	211		29,194			2,458	31,652
Purchase of shares for treasury	(1,374)					(181,293)	(181,293)
Other			1,395	(1,096)			299
Balance at December 31, 2022	57,624	9,858	481,857	3,306,500	(275,398)	(2,488,776)	1,034,041
Net income				545,248			545,248
Unrecognized amounts from defined benefit pension plans, net of tax					(215)		(215)
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					2,627		2,627
Currency translation adjustment					43,139		43,139
Cash dividends declared – \$2.63 per share				(151,513)			(151,513)
Stock-based compensation activity	451		43,609			4,987	48,596
Purchase of shares for treasury	(1,098)					(198,765)	(198,765)
Other			(2,109)	(12,197)			(14,306)
Balance at December 31, 2023	56,977	\$ 9,858	\$ 523,357	\$ 3,688,038	\$ (229,847)	\$ (2,682,554)	\$ 1,308,852

See notes to these consolidated financial statements.

LINCOLN ELECTRIC HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 545,248	\$ 472,224	\$ 276,580
Adjustments to reconcile Net income to Net cash provided by operating activities:			
Rationalization and asset impairment net charges (Note 7)	4,779	8,100	(1,054)
Depreciation and amortization	86,670	78,059	81,146
Gain on sale of property	(36,187)	—	—
Deferred income taxes (Note 13)	(20,926)	(48,207)	(28,556)
Stock-based compensation	26,231	25,267	23,787
Pension settlement net charges	—	—	126,502
Other, net	(17,464)	11,982	(17,474)
Changes in operating assets and liabilities, net of effects from acquisitions:			
Decrease (increase) in accounts receivable	14,980	(65,010)	(65,844)
Decrease (increase) in inventories	122,094	(81,188)	(154,347)
(Increase) in other current assets	(35,608)	(18,297)	(23,913)
(Decrease) increase in trade accounts payable	(32,028)	16,852	82,394
Increase (decrease) in other current liabilities	10,056	(8,199)	68,292
Net change in other assets and liabilities	(303)	(8,197)	(2,450)
NET CASH PROVIDED BY OPERATING ACTIVITIES	667,542	383,386	365,063
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(90,987)	(71,883)	(62,531)
Acquisition of businesses, net of cash acquired (Note 4)	(32,685)	(436,298)	(156,106)
Proceeds from sale of property, plant and equipment	49,494	3,331	6,781
Other investing activities	(551)	159	6,500
NET CASH USED BY INVESTING ACTIVITIES	(74,729)	(504,691)	(205,356)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Payments on) proceeds from short-term borrowings	(79,873)	34,351	46,476
(Payments on) proceeds from long-term borrowings	(8,109)	405,444	(508)
Proceeds from exercise of stock options	22,365	6,385	19,232
Purchase of shares for treasury	(198,765)	(181,293)	(164,526)
Cash dividends paid to shareholders	(148,010)	(130,724)	(121,851)
Other financing activities	—	(438)	(763)
NET CASH (USED BY) PROVIDED BY FINANCING ACTIVITIES	(412,392)	133,725	(221,940)
Effect of exchange rate changes on Cash and cash equivalents	16,216	(8,228)	(2,088)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	196,637	4,192	(64,321)
Cash and cash equivalents at beginning of period	197,150	192,958	257,279
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 393,787	\$ 197,150	\$ 192,958

See notes to these consolidated financial statements.

LINCOLN ELECTRIC HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except share and per share amounts)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Lincoln Electric Holdings, Inc. and its wholly-owned and majority-owned subsidiaries for which it has a controlling interest (the "Company") after elimination of all inter-company accounts, transactions and profits.

Certain reclassifications have been made to the prior period amounts to conform to the current period presentation, none of which are material.

General Information

The Company is the world leader in the design, development and manufacture of arc welding products, automated joining, assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

In March 2022, in response to Russia's invasion of Ukraine, the Company announced it was ceasing operations in Russia and implementing plans to support its Russian employees. Although the Company's Net sales and Total assets in Russia are less than 1% of consolidated Net sales and Total assets as of December 31, 2023 and 2022, the Russia-Ukraine conflict and sanctions imposed globally may result in economic and supply chain disruptions, the ultimate financial impact of which cannot be reasonably estimated at this time. The Company continues to monitor the Russia-Ukraine conflict and its potential impacts.

Translation of Foreign Currencies

Asset and liability accounts are translated into U.S. dollars using exchange rates in effect at the dates of the Consolidated Balance Sheets; revenue and expense accounts are translated at average monthly exchange rates. Translation adjustments are reflected as a component of Total equity. For subsidiaries operating in highly inflationary economies, both historical and current exchange rates are used in translating balance sheet accounts and translation adjustments are included in Net income. An economy is considered highly inflationary under GAAP if the cumulative inflation rate for a three-year period meets or exceeds 100 percent. The Turkish economy exceeded the three-year cumulative inflation rate of 100 percent during the second quarter of 2022. As a result, the financial statements of the Company's Turkish operation are reported under highly inflationary accounting rules as of April 1, 2022. Under highly inflationary accounting, the financial statements of the Company's Turkish operation have been remeasured into the Company's reporting currency (U.S. dollar). Beginning April 1, 2022, the exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than "Accumulated other comprehensive loss" on the balance sheet. For the years ended December 31, 2023 and 2022, this impact was not significant to the Company's results.

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The translation of assets and liabilities originally denominated in foreign currencies into U.S. dollars is for consolidation purposes, and does not necessarily indicate that the Company could realize or settle the reported value of those assets and liabilities in U.S. dollars. Additionally, such a translation does not necessarily indicate that the Company could return or distribute the reported U.S. dollar value of the net equity of its foreign operations to shareholders.

Foreign currency transaction gains and losses are included in Selling, general & administrative expenses and were losses of \$1,744 in 2023 and gains of \$3,633 and \$1,332 in 2022 and 2021, respectively.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventories

Inventories are valued at the lower of cost or net realizable value. Fixed manufacturing overhead costs are allocated to inventory based on normal production capacity and abnormal manufacturing costs are recognized as period costs. Cost for a substantial portion of U.S. inventories is determined on a last-in, first-out (“LIFO”) basis. At December 31, 2023 and 2022, approximately 37% and 38% of total inventories, respectively, were valued using the LIFO method. Cost of other inventories is determined by costing methods that approximate a first-in, first-out (“FIFO”) basis. Refer to Note 16 for additional details.

Reserves are maintained for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated net realizable value based upon assumptions about future demand and market conditions. The reserve for excess and obsolete inventory was \$31,881 and \$30,164 at December 31, 2023 and 2022, respectively.

Long-lived Assets

Property, Plant and Equipment

Property, plant and equipment are stated at cost and include improvements which significantly increase capacities or extend the useful lives of existing plant and equipment. Depreciation and amortization are computed using a straight-line method over useful lives ranging from 3 years to 20 years for machinery, tools and equipment, and up to 40 years for buildings. Net gains or losses related to asset dispositions are recognized in earnings in the period in which dispositions occur.

Routine maintenance, repairs and replacements are expensed as incurred. The Company capitalizes interest costs associated with long-term construction in progress.

Property, plant and equipment, net in the Consolidated Balance Sheet is comprised of the following components:

	December 31,	
	2023	2022
Land	\$ 67,949	\$ 71,446
Buildings	445,041	447,098
Machinery and equipment	939,316	916,870
	1,452,306	1,435,414
Less accumulated depreciation	876,990	890,543
Total	\$ 575,316	\$ 544,871

Leases

The Company determines if an agreement is a lease at inception. The Company records a right-of-use asset on its Consolidated Balance Sheets to represent its right to use an underlying asset for the lease term. The Company records a lease liability on its Consolidated Balance Sheets to represent its obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the Company's operating leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on information available at commencement date to present value the lease payments.

The Company has operating leases for sales offices, manufacturing facilities, warehouses and distribution centers, transportation equipment, office equipment and information technology equipment. Some of these leases are noncancelable. Variable or short-term lease costs contained within the Company's operating leases are not material. Most leases include one or more options to renew, which can extend the lease term from 1 to 11 years or more. The exercise of lease renewal options is at the Company's sole discretion. Certain leases also include options to purchase the leased property. Leases with an initial term of 12 months or less are not recorded on the Company's Consolidated Balance sheets. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Impairments

The Company periodically evaluates whether current facts or circumstances indicate that the carrying value of its depreciable long-lived assets, including right-of-use assets and finite-lived intangible assets, to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, a loss is recognized to the extent that carrying value exceeds fair value. Fair value is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. Refer to Notes 5, 7 and 17 for additional details.

Goodwill and Intangibles

Goodwill is recorded when the cost of acquired businesses exceeds the fair value of the identifiable net assets acquired. Intangible assets other than goodwill are recorded at fair value at the time acquired or at cost, if applicable. Intangible assets that do not have indefinite lives are amortized in line with the pattern in which the economic benefits of the intangible asset are consumed. If the pattern of economic benefit cannot be reliably determined, the intangible assets are amortized on a straight-line basis over the shorter of the legal or estimated life. These types of assets are assessed for impairment in a manner consistent with long-lived assets described above. Goodwill and indefinite-lived intangible assets are not amortized, but are tested for impairment in the fourth quarter using the same date each year or more frequently if changes in circumstances or the occurrence of events indicate potential impairment.

In performing the annual impairment test, the fair value of each indefinite-lived intangible asset is compared to its carrying value and an impairment charge is recorded if the carrying value exceeds the fair value. For goodwill, the Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, and whether it is necessary to perform the quantitative goodwill impairment test. The quantitative test is only required if the Company concludes that it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. The Company may also perform a quantitative test in instances where the more-likely-than-not threshold has not been met, including when general macroeconomic conditions or changes to the reporting unit warrant a refresh of the baseline used in a qualitative test. For quantitative testing, the Company compares the fair value of each reporting unit with its carrying amount. If the carrying amount exceeds the fair value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Fair values are determined using established business valuation techniques and models developed by the Company, estimates of market participant assumptions of future cash flows, future growth rates and discount rates to value estimated cash flows. Changes in economic and operating conditions, actual growth below the assumed market participant assumptions or an increase in the discount rate could result in an impairment charge in a future period. Refer to Note 5 for additional details.

Fair Value Measurements

Financial assets and liabilities, such as the Company's defined benefit pension plan assets and derivative contracts, are valued at fair value using the market and income valuation approaches. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The following hierarchy is used to classify the inputs that measure fair value:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Refer to Notes 11 and 15 for additional details.

Revenue Recognition

Revenue is recognized when obligations under the terms of a contract are satisfied and control is transferred to the customer. Revenue is measured as the amount of consideration the Company expects to be entitled to in exchange for goods or services. Substantially all of the Company's sales arrangements are short-term in nature involving a single performance obligation. The Company recognizes revenue when the performance obligation is satisfied and control of the product is transferred to the customer generally based upon shipping terms. In addition, certain customized automation performance obligations are accounted for over time. Under this method, revenue recognition is primarily based upon the ratio of costs incurred to date compared with estimated total costs to complete. The cumulative impact of revisions to total estimated costs is reflected in the period of the change, including anticipated losses. Less than 10% of the Company's Net sales are recognized over time.

The Company recognizes any discounts, credits, returns, rebates and incentive programs based on reasonable estimates as a reduction of sales to arrive at Net sales at the same time the related revenue is recorded. Taxes collected by the Company, including sales tax and value added tax, are excluded from Net sales. The Company recognizes freight billed as a component of Net sales and shipping costs as a component of Cost of goods sold when control transfers to the customer. Sales commissions are expensed when incurred because the amortization period is generally one year or less. These costs are recorded within Selling, general and administrative expenses in the Company's Consolidated Statements of Income.

The Company's payment terms vary by the type and location of the customer and the products or services offered. The Company does not offer any payment terms that would meet the requirements for consideration as a financing component under Topic 606.

Refer to Note 2 for additional details.

Distribution Costs

Distribution costs, including warehousing and freight related to product shipments, are included in Cost of goods sold.

Stock-Based Compensation

Expense is recognized for all awards of stock-based compensation by allocating the aggregate grant date fair value over the vesting period. No expense is recognized for any stock options, restricted or deferred shares or restricted stock units ultimately forfeited because the recipients fail to meet vesting requirements.

Common stock issuable upon the exercise of employee stock options is excluded from the calculation of diluted earnings per share when the calculation of option equivalent shares is anti-dilutive. Refer to Note 10 to the consolidated financial statements for additional details.

Financial Instruments

The Company uses derivative instruments to manage exposures to interest rates, commodity prices and currency exchange rate fluctuations on certain purchase and sales transactions, balance sheet and net investment exposures. Derivative contracts to hedge currency and commodity exposures are generally written on a short-term basis, but may cover exposures for up to 3 years while interest rate contracts may cover longer periods consistent with the terms of the underlying debt. The Company does not enter into derivatives for trading or speculative purposes.

All derivatives are recognized at fair value on the Company's Consolidated Balance Sheets. The accounting for gains and losses resulting from changes in fair value depends on the use of the derivative and whether it is designated and qualifies for hedge accounting. The Company formally documents the relationship of the hedge with the hedged item as well as the risk-management strategy for all designated hedges. Both at inception and on an ongoing basis, the hedging instrument is assessed as to its effectiveness, when applicable. If and when a derivative is determined not to be highly effective as a hedge, the underlying hedged transaction is no longer likely to occur, or the derivative is terminated, hedge accounting is discontinued. The cash flows from settled derivative contracts are recognized in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows.

The Company is subject to the credit risk of the counterparties to derivative instruments. Counterparties include a number of major banks and financial institutions. The Company manages individual counterparty exposure by monitoring the credit rating of the counterparty and the size of financial commitments and exposures between the Company and the counterparty.

Cash flow hedges

Certain foreign currency forward contracts and commodity contracts are qualified and designated as cash flow hedges. The effective portion of the fair value unrealized gain or loss on cash flow hedges are reported as a component of Accumulated other comprehensive income ("AOCI") with offsetting amounts recorded as Other current assets, Other assets, Other current liabilities or Other liabilities depending on the position and the duration of the contract. At settlement, the realized gain or loss is recorded in Cost of goods sold or Net sales for hedges of purchases and sales, respectively, in the same period or periods during which the hedged transaction affects earnings. The ineffective portion on cash flow hedges is recognized in current earnings.

In anticipation of future debt issuance associated with the Notes referenced in Note 9, the Company has interest rate forward starting swap agreements to hedge the variability of future changes in interest rates. The forward starting swap agreements were qualified and designated as a cash flow hedge. The changes in fair value are recorded as part of AOCI, and upon completion of debt issuance and termination of the swaps, are amortized to interest expense over the life of the underlying debt.

Fair value hedges

Certain interest rate swap agreements were qualified and designated as fair value hedges. The interest rate swap agreements designated as fair value hedges meet the shortcut method requirements under accounting standards for derivatives and hedging. Accordingly, changes in the fair value of these agreements are considered to exactly offset changes in the fair value of the underlying long-term debt. Changes in fair value are recorded in Other assets or Other liabilities with offsetting amounts recorded as a fair value adjustment to the carrying value of Long-term debt, less current portion.

Net investment hedges

For derivative instruments that qualify as a net investment hedge, the effective portion of the fair value gains or losses are recognized in AOCI with offsetting amounts recorded as Other current assets, Other assets, Other current liabilities or Other liabilities depending on the position and the duration of the contract. The gains or losses are subsequently reclassified to Selling, general and administrative expenses, as the underlying hedged investment is liquidated.

Derivatives not designated as hedging instruments

The Company has certain foreign exchange forward contracts which are not designated as hedges. These derivatives are held as hedges of certain balance sheet exposures. The gains or losses on these contracts are recognized in Selling, general and administrative expenses, offsetting the losses or gains on the exposures being hedged.

Refer to Note 14 to the consolidated financial statements for additional details.

Research and Development

Research and development costs are charged to Selling, general & administrative expenses as incurred and totaled \$71,235, \$63,207 and \$55,969 in 2023, 2022 and 2021, respectively.

Bonus

The Company's discretionary employee bonus programs, which for certain U.S.-based employees are net of medical costs, are included in Selling, general & administrative expenses. Bonus costs were \$192,498, \$159,281 and \$120,686 in 2023, 2022 and 2021, respectively.

Income Taxes

Deferred income taxes are recognized at currently enacted tax rates for temporary differences between the GAAP and income tax basis of assets and liabilities and operating loss and tax credit carry-forwards. In assessing the realizability of deferred tax assets, the Company assesses whether it is more-likely-than-not that a portion or all of the deferred tax assets will not be realized.

The Company maintains liabilities for unrecognized tax benefits related to uncertain income tax positions in various jurisdictions. The Company uses judgment in determining whether the technical merits of tax positions are more-likely-than-not to be sustained. Judgment is also used in measuring the related amount of tax benefit that qualifies for recognition, including the interpretation of applicable tax law, regulations and tax rulings.

The Company elects to treat any Global Intangible Low Taxed Income inclusion as a period expense in the year incurred.

Refer to Note 13 for additional details.

Acquisitions

Upon acquisition of a business, the Company uses the income, market or cost approach (or a combination thereof) for the valuation as appropriate. The valuation inputs in these models and analyses are based on market participant assumptions. Market participants are considered to be buyers and sellers unrelated to the Company in the principal or most advantageous market for the asset or liability.

Fair value estimates are based on a series of judgments about future events and uncertainties and rely on estimates and assumptions. Management values property, plant and equipment using the cost approach supported where available by observable market data, which includes consideration of obsolescence. Management values acquired intangible assets using the relief from royalty method or excess earnings method, forms of the income approach supported by observable market data for peer companies. The significant assumptions used to estimate the value of the acquired intangible assets include discount rates and certain assumptions that form the basis of future cash flows (such as revenue growth rates, customer attrition rates, and royalty rates). Acquired inventories are marked to fair value. For certain items, the pre-acquisition carrying value is determined to be a reasonable approximation of fair value based on information available to the Company. Refer to Note 4 for additional details.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect the amounts reported in the accompanying consolidated financial statements and notes. Actual results could differ from these estimates.

New Accounting Pronouncements

The following section provides a description of new Accounting Standards Updates (“ASU”) issued by the Financial Accounting Standards Board (“FASB”) that are applicable to the Company.

The following ASUs were adopted as of January 1, 2023 and did not have a significant financial impact on the Company’s consolidated financial statements unless otherwise described within the table below:

Standard	Description
ASU No. 2022-04, <i>Liabilities-Supplier Finance Programs (Subtopic 405-50)</i> , issued September 2022.	Requires disclosure about a company’s supplier finance program, including key terms, amount outstanding, assets pledged as applicable, and presentation on the balance sheet. Refer to Note 19 for the impacts on the Company’s consolidated financial statements.
ASU No. 2021-08, <i>Business Combinations (Subtopic 805)</i> , issued October 2021.	Requires the acquirer in a business combination to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. The adoption did not have a material impact on the Company’s consolidated financial statements.

The Company is currently evaluating the impact on its financial statements of the following ASUs:

Standard	Description
ASU No. 2023-06, <i>Disclosure Improvements</i> , issued October 2023	Requires amending certain disclosure and presentation requirements for a variety of topics within the ASC. The effective date for each amended topic in the ASC is either the date on which the SEC’s removal of the related disclosure requirement from Regulation S-X or S-K becomes effective, or June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited.
ASU No. 2023-01, <i>Leases-Common Control Arrangements (Topic 842)</i> , issued March 2023	Requires a lessee in a common-control arrangement to amortize leasehold improvements that it owns over the improvements’ useful life, regardless of the lease term. The requirement of the ASU is effective January 1, 2024.
ASU No. 2023-07, <i>Segment Reporting (Topic 280)</i> , issued November 2023.	Requires enhanced disclosures about significant segment expenses, including significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), the title and position of the CODM, an amount for other segment items by reportable segment, and disclosures about segment profit or loss and assets on an annual and interim basis. The amendments are effective for annual periods beginning January 1, 2024, and interim periods beginning January 1, 2025. Early adoption is permitted.
ASU No. 2023-09, <i>Income Taxes (Topic 740)</i> , issued December 2023.	Requires disclosure of specific categories in rate reconciliation and additional information for reconciling items that meet a quantitative threshold, additional information about income taxes paid, and disclosure of disaggregated income tax information. The amendments are effective January 1, 2025 and early adoption is permitted.
ASU No. 2022-04, <i>Liabilities-Supplier Finance Programs (Subtopic 405-50)</i> , issued September 2022.	Requires disclosure about a company’s supplier finance programs, including a period-over-period balance roll forward. This requirement of the ASU is effective January 1, 2024 and should be applied prospectively.

NOTE 2 — REVENUE RECOGNITION

The following table presents the Company’s Net sales disaggregated by product line:

	Year Ended December 31,		
	2023	2022	2021
Consumables	\$ 2,212,314	\$ 2,183,019	\$ 1,856,880
Equipment	1,979,322	1,578,192	1,377,300
Net sales	<u>\$ 4,191,636</u>	<u>\$ 3,761,211</u>	<u>\$ 3,234,180</u>

Consumable sales consist of welding, brazing and soldering filler metals. Equipment sales consist of arc welding equipment, welding accessories, wire feeding systems, fume control equipment, plasma and oxy-fuel cutting systems, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing. Consumable and Equipment products are sold within each of the Company’s operating segments.

Within the Equipment product line, there are certain customer contracts related to automation products that may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines the standalone selling price based on the prices charged to customers or using expected cost plus margin. Less than 10% of the Company’s Net sales are recognized over time.

At December 31, 2023, the Company recorded \$40,063 related to advance customer payments and \$52,422 related to billings in excess of revenue recognized. These contract liabilities are included in Other current liabilities in the Consolidated Balance Sheets. At December 31, 2022, the balances related to advance customer payments and billings in excess of revenue recognized were \$78,756 and \$34,771, respectively. Substantially all of the Company's contract liabilities are recognized within twelve months based on contract duration. The Company records an asset for contracts where it has recognized revenue, but has not yet invoiced the customer for goods or services. At December 31, 2023 and 2022, \$41,816 and \$35,252, respectively, related to these contract assets which are included in Other current assets in the Consolidated Balance Sheets. Contract asset amounts are expected to be billed within the next twelve months.

NOTE 3 - EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Year Ended December 31,		
	2023	2022	2021
Numerator:			
Net income	\$ 545,248	\$ 472,224	\$ 276,580
Denominator (shares in 000's):			
Basic weighted average shares outstanding	57,364	58,030	59,309
Effect of dilutive securities - Stock options and awards	857	719	753
Diluted weighted average shares outstanding	58,221	58,749	60,062
Basic earnings per share	\$ 9.50	\$ 8.14	\$ 4.66
Diluted earnings per share	\$ 9.37	\$ 8.04	\$ 4.60

For the years ended December 31, 2023, 2022 and 2021, common shares subject to equity-based awards of 69,901, 127,358 and 2,949, respectively, were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive.

NOTE 4 – ACQUISITIONS

On May 3, 2023, the Company acquired 100% ownership of Powermig Automação e Soldagem Ltda. (“Powermig”), a privately held automation engineering firm headquartered in Caxias do Sul, Rio Grande do Sul, in Brazil. The net purchase price was \$29,572, net of cash acquired, and it was accounted for as a business combination. In 2022, Powermig generated sales of approximately \$15,000 (unaudited). Beginning May 3, 2023, the Company's Consolidated Statement of Income includes the results of Powermig, which were not material for the year ended December 31, 2023. Powermig specializes in designing and engineering industrial welding automation solutions for the heavy industry and transportation sectors. The acquisition broadened the Company's automation portfolio and capabilities.

On December 1, 2022, the Company acquired 100% ownership of Fori Automation, LLC (“Fori”) for an agreed upon purchase price of \$427,000, which was adjusted for certain debt like obligations, for total purchase price consideration of \$468,683 or \$416,353 net of cash acquired, before final and customary adjustments. In 2022, the Company recognized \$5,196 in acquisition costs related to Fori and were expensed as incurred and included in “Selling, general, and administrative expenses” in the Consolidated Statements of Income. Fori is a leading designer and manufacturer of complex, multi-armed automated welding systems, with an extensive range of automated assembly systems, automated material handling solutions, automated large-scale, industrial guidance vehicles, and end of line testing systems. The acquisition of Fori extended the Company's market presence within the automotive sector as well as its automation footprint in the International Welding segment. For the twelve months ended December 31, 2023, the Company's Consolidated Statements of Income include the results of Fori, including Net Sales of \$263,203 while net income for the year was not material.

The acquisition of Fori has been accounted for as a business combination, which requires the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment in

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determining the appropriate assumptions and estimates. The table below summarizes the final fair values of the assets acquired and liabilities assumed on the acquisition date.

For the twelve months ended December 31, 2023, the adjustments to the preliminary purchase price allocation did not have a material impact on the Consolidated Balance Sheets or Consolidated Statements of Income.

Assets Acquired and Liabilities Assumed	Purchase Price Allocation
Cash and cash equivalents	\$ 52,330
Accounts receivable	64,439
Inventory	67,763
Property, plant and equipment ⁽¹⁾	36,863
Intangible assets ⁽²⁾	69,350
Accounts payable	17,996
Net other assets and liabilities ⁽³⁾	195,934
Total purchase price consideration	\$ 468,683

(1) Property, plant and equipment acquired includes a number of manufacturing and distribution sites, including the related facilities, land and leased sites, and machinery and equipment for use in manufacturing operations.

(2) Intangible asset balances of \$22,000 and \$18,200, respectively, were assigned to trade names and customer relationships (15 year weighted average useful life). Of the remaining amount, \$24,900 was assigned to technology know-how (10 year weighted average useful life) and \$4,250 was assigned to restrictive covenants (4 year weighted average life).

(3) Consists primarily of goodwill of \$244,325.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the anticipated synergies of acquiring Fori. A portion of the goodwill is deductible for tax purposes.

On March 1, 2022, the Company acquired 100% ownership of Kestra Universal Soldas, Industria e Comercio, Importacao e Exportacao Ltda. ("Kestra"), a privately held manufacturer headquartered in Atibaia, Sao Paulo State, Brazil. The net purchase price was \$22,294, net of cash acquired and accounted for as a business combination. In 2022, the Company recognized \$365 in acquisition costs related to Kestra and were expensed as incurred and included in "Selling, general, and administrative expenses" in the Consolidated Statements of Income. Kestra manufactures and provides specialty welding consumables, wear plates and maintenance and repair services for alloy and wear-resistant products commonly used in mining, steel, agricultural and industrial mill applications. The acquisition broadened the Company's specialty alloys portfolio and services.

On July 28, 2021, the Company acquired 100% ownership of Overstreet-Hughes Company, Inc. and Shoals Tubular, Inc. ("FTP"). The net purchase price was \$71,716, net of cash acquired and accounted for as a business combination. The Company recognized \$346 in acquisition transaction costs in 2021 which were expensed as incurred and included in "Selling, general, and administrative expenses" in the Consolidated Statements of Income. FTP manufactures copper and aluminum headers, distributor assemblies and manifolds in the United States and Mexico for the heating, ventilation, and air conditioning sector ("HVAC"). The acquisition further differentiated The Harris Products Group's competitive position serving HVAC original equipment manufacturers with a comprehensive portfolio of solutions for the fabrication of HVAC coils and accelerates growth in this market.

On April 1, 2021, the Company acquired 100% ownership of Zeman Baelemente Produktionsgesellschaft m.b.H. ("Zeman"), a division of the Zeman Group. The net purchase price was \$84,390, net of cash acquired and accounted for as a business combination. The Company recognized \$1,577 in acquisition transaction costs in 2021, which were expensed as incurred and included in "Selling, general, and administrative expenses" in the Consolidated Statements of Income. Zeman, based in Vienna, Austria, is a leading designer and manufacturer of robotic assembly and arc welding

systems that automate the tacking and welding of steel beams. The acquisition expanded the Company's international automation capabilities to serve customers in the structural steel and infrastructure sectors.

The acquired companies discussed above are not material individually, or in the aggregate, to the actual or pro forma Consolidated Statements of Income or Consolidated Statements of Cash Flows; as such, pro forma information related to these acquisitions have not been presented.

NOTE 5 – GOODWILL AND INTANGIBLES

The changes in the carrying amount of goodwill by reportable segments for the years ended December 31, 2023 and 2022 were as follows:

	Americas Welding	International Welding	The Harris Products Group	Consolidated
Balance as of December 31, 2021	\$ 279,983	\$ 107,093	\$ 43,086	\$ 430,162
Additions and adjustments ⁽¹⁾	215,617	31,288	(159)	246,746
Foreign currency translation	(3,413)	(8,462)	224	(11,651)
Balance as of December 31, 2022	492,187	129,919	43,151	665,257
Additions and adjustments ⁽²⁾	(2,899)	23,111	—	20,212
Foreign currency translation	8,312	449	222	8,983
Balance as of December 31, 2023	<u>\$ 497,600</u>	<u>\$ 153,479</u>	<u>\$ 43,373</u>	<u>\$ 694,452</u>

- (1) Additions to Americas Welding reflect goodwill recognized in the acquisition of Fori and Kestra in 2022. International Welding reflect goodwill recognized in the acquisition of Fori in 2022.
- (2) Adjustments to Americas Welding reflect goodwill recognized in the acquisition of Powermig offset by Fori purchase accounting adjustments in 2023. Additions to International Welding reflect Fori purchase accounting adjustments in 2023.

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Gross carrying values and accumulated amortization of intangible assets other than goodwill by asset class were as follows:

	December 31, 2023		December 31, 2022	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Intangible assets not subject to amortization				
Trademarks and trade names	\$ 16,038		\$ 15,963	
Intangible assets subject to amortization				
Trademarks and trade names	\$ 93,065	\$ 52,510	\$ 93,424	\$ 47,969
Customer relationships	171,338	102,643	170,231	95,385
Patents	25,150	15,879	23,603	15,113
Other	111,816	59,708	112,404	54,452
Total intangible assets subject to amortization	<u>\$ 401,369</u>	<u>\$ 230,740</u>	<u>\$ 399,662</u>	<u>\$ 212,919</u>

During 2023, the Company acquired intangible assets either individually or as part of a group of assets, with an initial purchase price allocation and weighted-average as follows:

	Year Ended December 31, 2023	
	Purchase Price Allocation	Weighted Average Life
Acquired intangible assets subject to amortization		
Trademarks and trade names	\$ 2,326	15
Customer relationships	4,050	10
Other	2,025	9
Total acquired intangible assets subject to amortization	<u>\$ 8,401</u>	

Aggregate amortization expense was \$25,983, \$21,908 and \$21,155 for 2023, 2022 and 2021, respectively. During 2023 and 2022, the Company determined that for certain intangible assets, the carrying value of the assets exceeded the fair value resulting in an impairment. The Company recognized non-cash impairment charges of \$1,564 and \$1,018 in 2023 and 2022, respectively, which is recorded in Rationalization and asset impairment charges in the Company's Consolidated Statements of Income. During 2023, the Company Estimated annual amortization expense for intangible assets for each of the next five years is \$31,245 in 2024, \$30,322 in 2025, \$28,621 in 2026, \$26,332 in 2027 and \$23,550 in 2028.

NOTE 6 – SEGMENT INFORMATION

The Company's primary business is the design, development and manufacture of arc welding products, automated joining, assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

The Company has aligned its organizational and leadership structure into three operating segments to support growth strategies and enhance the utilization of the Company's worldwide resources and global sourcing initiatives. The operating segments consist of Americas Welding, International Welding and The Harris Products Group. The Americas Welding segment includes welding operations in North and South America. The International Welding segment includes welding operations in Europe, Africa, Asia and Australia. The Harris Products Group includes the Company's global cutting, soldering and brazing businesses, specialty gas equipment, as well as its retail business in the United States.

Segment performance is measured and resources are allocated based on a number of factors, the primary measure being the adjusted earnings before interest and income taxes ("Adjusted EBIT") profit measure. EBIT is defined as Operating income plus Other income. Segment EBIT is adjusted for special items as determined by management such as the impact of rationalization activities, certain asset impairment charges and gains or losses on disposals of assets. The accounting principles applied at the operating segment level are generally the same as those applied at the consolidated financial statement level with the exception of LIFO. Segment assets include inventories measured on a FIFO basis while consolidated inventories include inventories reported on a LIFO basis. Segment and consolidated income before interest and income taxes include the effect of inventories reported on a LIFO basis. At December 31, 2023, 2022 and 2021 approximately 37%, 38% and 36%, respectively, of total inventories were valued using the LIFO method. LIFO is used for a substantial portion of U.S. inventories included in Americas Welding. Inter-segment sales are recorded at agreed upon prices that approximate arm's length prices and are eliminated in consolidation. Corporate-level expenses are allocated to the operating segments.

Financial information for the reportable segments follows:

	Americas Welding ⁽¹⁾	International Welding ⁽²⁾	The Harris Products Group ⁽³⁾	Corporate / Eliminations ⁽⁴⁾	Consolidated
For the Year Ended December 31, 2023					
Net sales	\$ 2,655,546	\$ 1,040,006	\$ 496,084	\$ —	\$ 4,191,636
Inter-segment sales	127,536	31,498	10,641	(169,675)	—
Total	\$ 2,783,082	\$ 1,071,504	\$ 506,725	\$ (169,675)	\$ 4,191,636
Adjusted EBIT	\$ 538,269	\$ 136,497	\$ 74,144	\$ (17,536)	\$ 731,374
Special items charge (gain)	9,858	(9,721)	—	—	137
EBIT	\$ 528,411	\$ 146,218	\$ 74,144	\$ (17,536)	\$ 731,237
Interest income					6,762
Interest expense					(51,133)
Income before income taxes					\$ 686,866
Total assets	\$ 2,365,737	\$ 1,046,369	\$ 340,463	\$ (375,272)	\$ 3,377,297
Capital expenditures	61,752	20,568	8,550	117	90,987
Depreciation and amortization	55,821	22,023	9,611	(785)	86,670
For the Year Ended December 31, 2022					
Net sales	\$ 2,288,934	\$ 954,281	\$ 517,996	\$ —	\$ 3,761,211
Inter-segment sales	122,019	31,503	11,040	(164,562)	—
Total	\$ 2,410,953	\$ 985,784	\$ 529,036	\$ (164,562)	\$ 3,761,211
Adjusted EBIT	\$ 462,819	\$ 120,157	\$ 64,008	\$ (10,033)	\$ 636,951
Special items charge (gain)	(3,060)	11,681	—	6,003	14,624
EBIT	\$ 465,879	\$ 108,476	\$ 64,008	\$ (16,036)	\$ 622,327
Interest income					1,607
Interest expense					(31,107)
Income before income taxes					\$ 592,827
Total assets	\$ 2,122,729	\$ 994,905	\$ 361,989	\$ (299,077)	\$ 3,180,546
Capital expenditures	43,003	17,955	10,925	—	71,883
Depreciation and amortization	47,291	20,949	9,819	—	78,059
For the Year Ended December 31, 2021					
Net sales	\$ 1,824,481	\$ 948,125	\$ 461,574	\$ —	\$ 3,234,180
Inter-segment sales	140,650	26,331	8,096	(175,077)	—
Total	\$ 1,965,131	\$ 974,456	\$ 469,670	\$ (175,077)	\$ 3,234,180
Adjusted EBIT	\$ 329,016	\$ 106,208	\$ 68,447	\$ (12,403)	\$ 491,268
Special items charge	123,114	15,234	3,785	1,923	144,056
EBIT	\$ 205,902	\$ 90,974	\$ 64,662	\$ (14,326)	\$ 347,212
Interest income					1,567
Interest expense					(23,781)
Income before income taxes					\$ 324,998
Total assets	\$ 1,521,083	\$ 938,061	\$ 330,678	\$ (197,515)	\$ 2,592,307
Capital expenditures	37,717	16,916	7,898	—	62,531
Depreciation and amortization	49,510	24,998	6,795	(157)	81,146

(1) 2023 special items reflect Rationalization and asset impairment net charges of \$468 and amortization of step up in value of acquired inventories of \$9,390.

2022 special items reflect Rationalization and asset impairment net gains of \$431, final settlement gains related to the termination of a pension plan of \$3,735 and amortization of step up in value of acquired inventories of \$1,106.

2021 special items reflect pension settlement charges of \$123,091.

(2) 2023 special items reflect Rationalization and asset impairment net gains of \$11,782, amortization of step up in value of acquired inventories of \$2,862, gain on asset disposal of \$1,646, and pension settlement charges of \$845.

2022 special items reflect Rationalization and asset impairment charges of \$11,681.

2021 special items reflect Rationalization and asset impairment charges of \$9,804, pension settlement charges of \$446 and amortization of step up in value of acquired inventories of \$4,984.

- (3) 2021 special items reflect pension settlement charges of \$2,965 and amortization of step up in value of acquired inventories of \$820.
- (4) 2022 special items reflect acquisition transaction and integration costs of \$6,003 related acquisitions as discussed in Note 4 to the consolidated financial statements.

2021 special items reflect acquisition transaction and integration costs of \$1,923 related acquisitions as discussed in Note 4 to the consolidated financial statements.

Export sales (excluding inter-company sales) from the United States were \$238,704 in 2023, \$173,033 in 2022 and \$149,110 in 2021. No individual customer comprised more than 10% of the Company's total revenues for any of the three years ended December 31, 2023.

The geographic split of the Company's Net sales, based on the location of the customer, and property, plant and equipment were as follows:

	Year Ended December 31,		
	2023	2022	2021
Net sales:			
United States	\$ 2,398,560	\$ 2,128,457	\$ 1,726,498
Foreign countries	1,793,076	1,632,754	1,507,682
Total	<u>\$ 4,191,636</u>	<u>\$ 3,761,211</u>	<u>\$ 3,234,180</u>

	December 31,		
	2023	2022	2021
Property, plant and equipment, net:			
United States	\$ 293,172	\$ 267,654	\$ 262,247
Foreign countries	282,144	277,217	249,497
Total	<u>\$ 575,316</u>	<u>\$ 544,871</u>	<u>\$ 511,744</u>

NOTE 7 – RATIONALIZATION AND ASSET IMPAIRMENTS

The Company has rationalization plans primarily within the International Welding segment. The plans include headcount restructuring and the consolidation of manufacturing facilities to better align the cost structure with economic conditions and operating needs. At December 31, 2023, liabilities of \$15,086 for International Welding were recognized in Other current liabilities in the Company's Consolidated Balance Sheet. The Company does not anticipate significant additional charges related to the completion of these plans.

The Company recorded rationalization and asset impairment net gain of \$11,314 for the year ended December 31, 2023 and net charges of \$11,788 and \$9,827 for the years ended December 31, 2022 and 2021, respectively, related to these plans. The charges are primarily related to employee severance, asset impairments and gains or losses on the disposal of assets.

The Company believes the rationalization actions will positively impact future results of operations and will not have a material effect on liquidity and sources and uses of capital. The Company continues to evaluate its cost structure and additional rationalization actions may result in charges in future periods.

The following table summarizes the activity related to the rationalization liabilities:

	Consolidated
Balance at December 31, 2021	\$ 2,990
Payments and other adjustments	(4,471)
Charged to expense	3,688
Balance at December 31, 2022	\$ 2,207
Payments and other adjustments	(7,215)
Charged to expense	20,094
Balance at December 31, 2023	\$ 15,086

NOTE 8 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("AOCI")

The following tables set forth the total changes in accumulated other comprehensive income (loss) ("AOCI") by component, net of taxes:

	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges	Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at December 31, 2021	\$ 8,094	\$ (13,231)	\$ (252,442)	\$ (257,579)
Other comprehensive income (loss) before reclassification	7,866	13,911	(35,084)	(13,307)
Amounts reclassified from AOCI	(2,051)	(2,461)	—	(4,512)
Net current-period other comprehensive income (loss)	5,815	11,450	(35,084)	(17,819)
Balance at December 31, 2022	\$ 13,909	\$ (1,781)	\$ (287,526)	\$ (275,398)
Other comprehensive income (loss) before reclassification	7,049	(5,135)	43,139	45,053
Amounts reclassified from AOCI	(4,422)	4,920	—	498
Net current-period other comprehensive income (loss)	2,627	(215)	43,139	45,551
Balance at December 31, 2023	\$ 16,536	\$ (1,996)	\$ (244,387)	\$ (229,847)

NOTE 9 – DEBT

At December 31, 2023 and 2022, debt consisted of the following:

	December 31,	
	2023	2022
<i>Long-term debt</i>		
Senior Unsecured Notes due through 2045, interest at 2.8% to 4.0% (net of debt issuance costs of \$1,270 and \$1,585 at December 31, 2023 and 2022, respectively)	\$ 702,766	\$ 703,124
Term Loan due through 2025, interest at SOFR plus a 0.85% margin, swapped \$150,000 to a fixed interest rate of 3.55% plus a 0.85% margin	400,000	400,000
Other borrowings due through 2030, interest up to 7.97%	9	18,311
	1,102,775	1,121,435
Less current portion	4	11,039
Long-term debt, less current portion	1,102,771	1,110,396
<i>Short-term debt</i>		
Amounts due banks, weighted average interest at 47.7% in 2023 and 4.0% in 2022	2,435	82,444
Current portion long-term debt	4	11,039
Total short-term debt	2,439	93,483
Total debt	\$ 1,105,210	\$ 1,203,879

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At December 31, 2023 and 2022, the fair value of long-term debt, including the current portion, was approximately \$1,013,795 and \$1,009,020, respectively, which was determined using available market information and methodologies requiring judgment. The carrying value of this debt at such dates was \$1,102,771 and \$1,121,435, respectively. Since judgment is required in interpreting market information, the fair value of the debt is not necessarily the amount which could be realized in a current market exchange.

Senior Unsecured Notes

On April 1, 2015 and October 20, 2016, the Company entered into separate Note Purchase Agreements pursuant to which it issued senior unsecured notes (the "Notes") through a private placement. Interest on the Notes is paid semi-annually. The proceeds of the Notes were used for general corporate purposes. The Notes contain certain affirmative and negative covenants. As of December 31, 2023, the Company was in compliance with all of its debt covenants relating to the Notes.

The maturity and interest rates of the 2015 Notes and 2016 Notes are as follows:

	<u>Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
2015 Notes			
Series A	\$ 100,000	August 20, 2025	3.15 %
Series B	100,000	August 20, 2030	3.35 %
Series C	50,000	April 1, 2035	3.61 %
Series D	100,000	April 1, 2045	4.02 %
2016 Notes			
Series A	\$ 100,000	October 20, 2028	2.75 %
Series B	100,000	October 20, 2033	3.03 %
Series C	100,000	October 20, 2037	3.27 %
Series D	50,000	October 20, 2041	3.52 %

The Company's total weighted average effective interest rate and remaining weighted average term, inclusive of the 2015 Notes and 2016 Notes, is 3.3% and 10.4 years, respectively.

Term Loan

On November 29, 2022, the Company entered into a term loan in the aggregate principal amount of \$400,000 (the "Term Loan"), which was borrowed in full. The Term Loan matures on November 29, 2025. The Term Loan bears an interest at a rate based on SOFR, plus a margin ranging from 0.75% to 1.75% based on the Company's consolidated net leverage ratio. The proceeds of the Term Loan were used to pay a portion of the purchase price in connection with the acquisition of Fori.

The agreement governing the Term Loan (the "Term Loan Credit Agreement") contains representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type, including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. The Term Loan Credit Agreement requires the Company to maintain a minimum consolidated fixed charges coverage ratio and maximum consolidated net leverage ratio. As of December 31, 2023, the Company was in compliance with all of its covenants.

Revolving Credit Agreement

On April 23, 2021, the Company amended and restated the agreement governing its line of credit by entering into the Second Amended and Restated Credit Agreement ("Credit Agreement"). The Credit Agreement has a line of credit totaling \$500,000, has a term of 5 years with a maturity date of April 23, 2026 and may be increased, subject to certain conditions including the consent of its lenders, by an additional amount up to \$150,000. On March 8, 2023, the Credit Agreement was amended to replace the LIBOR rate to a term secured overnight finance rate ("SOFR"); as such, the

interest rate on borrowings is based on SOFR plus a spread of 0.85% to 1.85% based on (1) the Company's net leverage ratio and (2) a credit spread adjustment. The Credit Agreement contains customary representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type (subject to negotiated baskets and exceptions), including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. As of December 31, 2023, the Company was in compliance with all of its covenants and had no outstanding borrowings under the Credit Agreement.

The Company has other lines of credit and debt agreements totaling \$89,145. As of December 31, 2023 the Company was in compliance with all of its covenants and had \$2,435 outstanding at December 31, 2023.

Other

Maturities of long-term debt, including payments for amounts due banks, for the five years succeeding December 31, 2023 are \$2,439 in 2024, \$500,005 in 2025, \$0 in 2026, \$0 in 2027, \$100,000 in 2028 and \$500,000 thereafter. Total interest paid was \$29,340 in 2023, \$23,547 in 2022 and \$23,752 in 2021. The difference between interest paid and interest expense is due to the accrual of interest associated with the Senior Unsecured Notes and interest rate derivative contracts discussed in Note 14.

NOTE 10 – STOCK PLANS

On April 19, 2023, the shareholders of the Company approved the 2023 Equity and Incentive Compensation Plan ("2023 Employee Plan"), which replaced the 2015 Equity and Incentive Compensation Plan ("2015 Employee Plan"). The 2023 Employee Plan provides for the granting of options, appreciation rights, restricted shares, restricted stock units and performance-based awards up to an additional 2,025,000 of the Company's common shares. In addition, on April 19, 2023, the shareholders of the Company approved the 2023 Stock Plan for Non-Employee Directors ("2023 Director Plan"), which replaced the 2015 Stock Plan for Non-Employee Directors ("2015 Director Plan"). The 2023 Director Plan provides for the granting of options, restricted shares and restricted stock units up to an additional 200,000 of the Company's common shares. At December 31, 2023, there were 2,192,720 common shares available for future grant under all plans.

Stock Options

The following table summarizes stock option activity for the year ended December 31, 2023 under all Plans:

	Number of Options	Weighted Average Exercise Price
Balance at beginning of year	1,117,359	\$ 93.31
Options granted	102,292	178.15
Options exercised	(299,682)	118.17
Options canceled	(350)	63.08
Options forfeited	—	—
Balance at end of year	<u>919,619</u>	108.85
Exercisable at end of year	<u>671,164</u>	95.20

Options granted under both the 2015 and 2023 Employee Plans and its predecessor plans may be outstanding for a maximum of 10 years from the date of grant. The majority of options granted vest ratably over a period of 3 years from the grant date. The exercise prices of all options were equal to the quoted market price of the Company's common shares at the date of grant. The Company issued shares of common stock from treasury upon all exercises of stock options in 2023. In 2023, all options issued were under the 2015 and 2023 Employee Plans.

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The Company uses the Black-Scholes option pricing model for estimating fair values of options. In estimating the fair value of options granted, the expected option life is based on the Company's historical experience. The expected volatility is based on historical volatility. The weighted average assumptions for each of the three years ended December 31 were as follows:

	2023	2022	2021
Expected volatility	27.63 %	27.14 %	28.01 %
Dividend yield	1.59 %	1.84 %	2.17 %
Risk-free interest rate	4.04 %	1.94 %	0.55 %
Expected option life (years)	4.8	4.7	4.7
Weighted average fair value per option granted during the year	\$ 46.94	\$ 27.42	\$ 21.70

The following table summarizes non-vested stock options for the year ended December 31, 2023:

	Number of Options	Weighted Average Fair Value at Grant Date
Balance at beginning of year	317,006	\$ 13.93
Granted	102,292	46.94
Vested	(170,493)	21.61
Canceled	(350)	18.34
Forfeited	—	—
Balance at end of year	<u>248,455</u>	28.36

The aggregate intrinsic value of options outstanding and exercisable which would have been received by the optionees had all awards been exercised at December 31, 2023 was \$99,884 and \$82,057, respectively. The total intrinsic value of awards exercised during 2023, 2022 and 2021 was \$35,414, \$7,082 and \$20,442, respectively. The total fair value of options that vested during 2023, 2022 and 2021 was \$3,684, \$3,086 and \$2,983, respectively.

The following table summarizes information about awards outstanding as of December 31, 2023:

Exercise Price Range	Outstanding			Exercisable		
	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (years)
Under \$49.99	—	\$ —	—	—	\$ —	—
\$50.00 - \$59.99	18,371	58.17	2.11	18,371	58.17	2.11
Over \$60.00	901,248	109.88	6.35	652,793	96.24	5.60
	<u>919,619</u>		6.27	<u>671,164</u>		5.50

[Table of Contents](#)*Restricted Stock Units ("RSUs") and Performance Share Units ("PSUs")*

The following table summarizes RSU and PSU activity for the year ended December 31, 2023 under all Plans:

	Number of Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	391,072	\$ 111.90
Units granted	130,831	180.04
Units vested	(177,048)	95.90
Units forfeited	(5,414)	139.14
Balance at end of year	<u>339,441</u>	<u>140.50</u>

RSUs are valued at the quoted market price on the grant date. The majority of RSUs vest over a period of 3 years. The Company issues shares of common stock from treasury upon the vesting of RSUs and any earned dividend equivalents. Conversion of 28,564 RSUs and PSUs to common shares in 2023 were deferred as part of the 2005 Deferred Compensation Plan for Executives (the "2005 Plan"). As of December 31, 2023, 87,604 RSUs and PSUs, including related dividend equivalents, have been deferred under the 2005 Plan. These units are reflected within dilutive shares in the calculation of earnings per share. In 2023, 85,188 RSUs were issued under the 2015 and 2023 Employee Plan and the 2015 and 2023 Director Plan. The remaining weighted average vesting period of all non-vested RSUs is 1.5 years as of December 31, 2023.

PSUs are valued at the quoted market price on the grant date. PSUs vest over a period of 3 years and are based on the Company's performance relative to pre-established performance goals. The Company issues common stock from treasury upon the vesting of PSUs and any earned dividend equivalents. In 2023, the Company issued 45,643 PSU's and has 82,089 PSUs outstanding under the 2015 Employee Plan at a weighted average fair value of \$136.41 per share. The remaining weighted average vesting period of all non-vested PSUs is 1.8 years as of December 31, 2023.

Stock-Based Compensation Expense

Expense is recognized for all awards of stock-based compensation by allocating the aggregate grant date fair value over the vesting period. No expense is recognized for any stock options, restricted or deferred shares, RSUs or PSUs ultimately forfeited because recipients fail to meet vesting requirements. Total stock-based compensation expense recognized in the Consolidated Statements of Income for 2023, 2022 and 2021 was \$26,223, \$25,276 and \$23,787, respectively. The related tax benefit for 2023, 2022 and 2021 was \$6,711, \$6,363 and \$5,988, respectively. As of December 31, 2023, total unrecognized stock-based compensation expense related to non-vested stock options, RSUs and PSUs was \$17,254, which is expected to be recognized over a weighted average period of approximately 1.0 years.

Lincoln Stock Purchase Plan

The 1995 Lincoln Stock Purchase Plan provides employees the ability to purchase open market shares on a commission-free basis up to a limit of ten thousand dollars annually. Under this plan, 800,000 shares have been authorized to be purchased. There were no shares purchased in 2023 or 2022, and 9,070 shares purchased in 2021.

NOTE 11 – RETIREMENT ANNUITY AND GUARANTEED CONTINUOUS EMPLOYMENT PLANS

The Company maintains a number of defined benefit and defined contribution plans to provide retirement benefits for employees. These plans are maintained and contributions are made in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"), local statutory law or as determined by the Board of Directors. The plans generally provide benefits based upon years of service and compensation. Pension plans are funded except for a domestic non-qualified pension plan for certain key employees and certain foreign plans. The Company uses a December 31 measurement date for its plans.

The Company does not have, and does not provide for, any postretirement or postemployment benefits other than pensions and certain non-U.S. statutory termination benefits.

Defined Benefit Plans

Contributions are made in amounts sufficient to fund current service costs on a current basis and to fund past service costs, if any, over various amortization periods.

Obligations and Funded Status

	December 31,			
	2023		2022	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
<i>Change in benefit obligations</i>				
Benefit obligations at beginning of year	\$ 9,374	\$ 118,489	\$ 10,930	\$ 164,005
Service cost	166	955	199	1,077
Interest cost	466	4,867	262	2,644
Plan participants' contributions	—	48	—	54
Acquisitions & other adjustments	(821)	84	2,689	(341)
Actuarial (gain) loss ⁽¹⁾	990	5,633	(4,706)	(30,229)
Benefits paid	—	(7,265)	—	(7,066)
Settlements/curtailments	(1,805)	(1,700)	—	(398)
Currency translation	—	4,919	—	(11,257)
Benefit obligations at end of year	<u>8,370</u>	<u>126,030</u>	<u>9,374</u>	<u>118,489</u>
<i>Change in plan assets</i>				
Fair value of plan assets at beginning of year	—	86,543	68,458	114,557
Actual return on plan assets	—	4,087	59	(16,319)
Employer contributions	—	2,080	—	1,634
Plan participants' contributions	—	48	—	54
Acquisitions & other adjustments	—	—	(68,517)	(195)
Benefits paid	—	(5,120)	—	(4,757)
Settlements	—	(599)	—	—
Currency translation	—	4,183	—	(8,431)
Fair value of plan assets at end of year	<u>—</u>	<u>91,222</u>	<u>—</u>	<u>86,543</u>
Funded status at end of year	(8,370)	(34,808)	(9,374)	(31,946)
Unrecognized actuarial net loss	2,387	3,070	1,734	2,073
Unrecognized prior service cost	—	(56)	—	(73)
Unrecognized transition assets, net	—	24	—	25
Net amount recognized	<u>\$ (5,983)</u>	<u>\$ (31,770)</u>	<u>\$ (7,640)</u>	<u>\$ (29,921)</u>

(1) Actuarial gains in 2022 were primarily the result of an increase in the Company's pension plan discount rates.

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The after-tax amounts of unrecognized actuarial net loss, prior service costs and transition assets included in Accumulated other comprehensive loss at December 31, 2023 were \$1,974, \$(39) and \$17, respectively. The actuarial loss represents changes in the estimated obligation not yet recognized in the Consolidated Income Statement.

In March 2020, the Company approved an amendment to terminate the Lincoln Electric Company Retirement Annuity Program (“RAP”) plan effective as of December 31, 2020. The Company provided notice to participants of the intent to terminate the plan and applied and received a determination letter. During 2021, pension obligations were distributed through a combination of lump sum payments to eligible plan participants and through the purchase of a group annuity contract in October 2021. The lump sum payments and annuity purchase resulted in pre-tax settlement charges of \$126,056 in the twelve months ended December 31, 2021. The remaining surplus assets of \$68,458 at December 31, 2021 were transferred to a suspense account in January 2022 and are being used to fund employer matching contributions in the Company’s Savings Plan. The surplus assets as of December 31, 2023 were \$41,849 and are recorded in Other current assets and Other assets in the Company’s Consolidated Balance Sheets.

Amounts Recognized in Consolidated Balance Sheets

	December 31,			
	2023		2022	
	U.S. pension plans	Non-U.S. Pension plans	U.S. pension plans	Non-U.S. pension plans
Prepaid pensions ⁽¹⁾	\$ —	\$ 2,891	\$ —	\$ 1,603
Accrued pension liability, current ⁽²⁾	(732)	(95)	(2,403)	(523)
Accrued pension liability, long-term ⁽³⁾	(7,638)	(37,605)	(6,971)	(33,026)
Accumulated other comprehensive loss, excluding tax effects	2,387	3,039	1,734	2,025
Net amount recognized in the balance sheets	<u>\$ (5,983)</u>	<u>\$ (31,770)</u>	<u>\$ (7,640)</u>	<u>\$ (29,921)</u>

- (1) Included in Other assets.
- (2) Included in Other current liabilities.
- (3) Included in Other liabilities.

Components of Pension Cost for Defined Benefit Plans

	Year Ended December 31,					
	2023		2022		2021	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Service cost	\$ 166	\$ 955	\$ 199	\$ 1,077	\$ 194	\$ 1,413
Interest cost	466	4,867	262	2,644	8,926	2,567
Expected return on plan assets	—	(3,839)	—	(3,525)	(13,050)	(3,990)
Other adjustments	—	117	—	—	—	—
Amortization of prior service cost	—	(8)	—	—	—	8
Amortization of net loss	80	(374)	132	299	1,966	882
Settlement and curtailment charges (gains) ⁽¹⁾	256	949	(3,735)	367	126,055	(42)
Defined benefit plans	<u>\$ 968</u>	<u>\$ 2,667</u>	<u>\$ (3,142)</u>	<u>\$ 862</u>	<u>\$ 124,091</u>	<u>\$ 838</u>

- (1) Pension settlement net charges resulting from lump sum pension payments and the purchase of a group annuity contract in 2021.

The components of Pension cost for defined benefit plans, other than service cost, are included in Other income (expense) in the Company’s Consolidated Statements of Income.

Pension Plans with Accumulated Benefit Obligations in Excess of Plan Assets

	December 31,			
	2023		2022	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Projected benefit obligation	\$ 8,326	\$ 88,290	\$ 9,331	\$ 82,378
Accumulated benefit obligation	8,002	86,317	8,937	80,444
Fair value of plan assets	—	50,758	—	48,974

The total accumulated benefit obligation for all plans was \$131,550 as of December 31, 2023 and \$125,031 as of December 31, 2022.

Benefit Payments for Plans

Benefits expected to be paid for the plans are as follows:

	U.S. pension Plans	Non-U.S. pension plans
Estimated Payments		
2024	\$ 754	\$ 39,045
2025	1,077	7,421
2026	1,099	6,576
2027	1,114	5,888
2028	1,053	6,446
2029 through 2033	5,426	30,724

Assumptions

Weighted average assumptions used to measure the benefit obligation for the Company's significant defined benefit plans as of December 31, 2023 and 2022 were as follows:

	December 31,			
	2023		2022	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Discount Rate	6.0 %	3.9 %	5.8 %	4.2 %
Rate of increase in compensation	3.0 %	4.8 %	3.0 %	3.7 %

Weighted average assumptions used to measure the net periodic benefit cost for the Company's significant defined benefit plans for each of the three years ended December 31 were as follows:

	December 31,					
	2023		2022		2021	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Discount rate	5.8 %	4.2 %	2.5 %	1.8 %	2.2 %	1.3 %
Rate of increase in compensation	3.0 %	3.7 %	3.0 %	3.1 %	2.5 %	2.7 %
Expected return on plan assets	—	4.4 %	— %	3.4 %	3.0 %	3.3 %

To develop the discount rate assumptions, the Company refers to the yield derived from matching projected pension payments with maturities of bonds rated AA or an equivalent quality. The expected long-term rate of return assumption is based on the weighted average expected return of the various asset classes in the plans' portfolio and the targeted allocation of plan assets. The asset class return is developed using historical asset return performance as well as current market conditions such as inflation, interest rates and equity market performance. The rate of compensation increase is determined by the Company based upon annual reviews.

Pension Plans' Assets

The primary objective of the pension plans' investment policy is to ensure sufficient assets are available to provide benefit obligations when such obligations mature. Investment management practices must comply with ERISA or any other applicable regulations and rulings. The overall investment strategy for the defined benefit pension plans' assets is to achieve a rate of return over a normal business cycle relative to an acceptable level of risk that is consistent with the long-term objectives of the portfolio. Excluding the RAP plan assets, the target allocation for plan assets is 5% to 10% equity securities and 90% to 95% debt and other securities.

The following table sets forth, by level within the fair value hierarchy, the pension plans' assets as of December 31, 2023:

	Pension Plans' Assets at Fair Value as of December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 22,347	\$ —	\$ —	\$ 22,347
Fixed income securities ⁽¹⁾				
Corporate debt and other obligations	—	5,894	—	5,894
Investments measured at NAV ⁽²⁾				
Common trusts and 103-12 investments ⁽³⁾	—	—	—	62,981
Total investments at fair value	\$ 22,347	\$ 5,894	\$ —	\$ 91,222

The following table sets forth, by level within the fair value hierarchy, the pension plans' assets as of December 31, 2022:

	Pension Plans' Assets at Fair Value as of December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 16,694	\$ —	\$ —	\$ 16,694
Fixed income securities ⁽¹⁾				
Corporate debt and other obligations	—	4,912	—	4,912
Investments measured at NAV ⁽²⁾				
Common trusts and 103-12 investments ⁽³⁾	—	—	—	64,937
Total investments at fair value	\$ 16,694	\$ 4,912	\$ —	\$ 86,543

- (1) Fixed income securities are primarily comprised of governmental and corporate bonds directly held by the plans. Governmental and corporate bonds are valued using both market observable inputs for similar assets that are traded on an active market and the closing price on the active market on which the individual securities are traded.
- (2) Certain assets that are measured at fair value using the net asset value ("NAV") practical expedient have not been classified in the fair value hierarchy.

- (3) Common trusts and 103-12 investments (collectively "Trusts") are comprised of a number of investment funds that invest in a diverse portfolio of assets including equity securities, corporate and governmental bonds, equity and credit indexes and money markets. Trusts are valued at the NAV as determined by their custodian. NAV represents the accumulation of the unadjusted quoted close prices on the reporting date for the underlying investments divided by the total shares outstanding at the reporting dates.

Supplemental Executive Retirement Plan

The Company maintained a domestic unfunded Supplemental Executive Retirement Plan ("SERP") under which non-qualified supplemental pension benefits are paid to certain employees in addition to amounts received under the Company's terminated qualified retirement plan which was subject to IRS limitations on covered compensation. The annual cost of this program has been included in the determination of total net pension costs shown above and was \$650, \$253 and \$213 in 2023, 2022 and 2021, respectively. The projected benefit obligation associated with this plan is also included in the pension disclosure shown above and was \$5,461, \$7,339 and \$7,947 at December 31, 2023, 2022 and 2021, respectively.

Defined Contribution Plans

Substantially all U.S. employees are covered under defined contribution plans. In October 2016, the Company announced a plan redesign of The Lincoln Electric Company Employee Savings Plan ("Savings Plan") that was effective January 1, 2017. The Savings Plan provides that eligible employees receive up to 6% of employees' annual compensation through Company matching contributions of 100% of the first 3% of employee compensation contributed to the plan, and automatic Company contributions equal to 3% of annual compensation. In addition, certain employees affected by the RAP freeze in 2016 are also eligible to receive employer contributions equal to 6% of annual compensation for a minimum period of five years or to the end of the year in which they complete thirty years of service.

Effective January 1, 2017, the Company created The Lincoln Electric Company Restoration Plan ("Restoration Plan"). The Restoration Plan is a domestic unfunded plan maintained for the purpose of providing certain employees the ability to fully participate in standard employee retirement offerings, which are limited by IRS regulations on covered compensation.

The annual costs recognized for defined contribution plans were \$29,443, \$29,569 and \$26,282 in 2023, 2022 and 2021, respectively.

Other Benefits

The Cleveland, Ohio, area operations have a Guaranteed Continuous Employment Plan covering substantially all local employees which, in general, provides that the Company will provide work for at least 75% of every standard work week (presently 40 hours). This plan does not guarantee employment when the Company's ability to continue normal operations is seriously restricted by events beyond the control of the Company. The Company has reserved the right to terminate this plan effective at the end of a calendar year by giving notice of such termination not less than six months prior to the end of such year.

NOTE 12 — OTHER INCOME (EXPENSE)

The components of Other income (expense) were as follows:

	Year Ended December 31,		
	2023	2022	2021
Equity earnings in affiliates	\$ 556	\$ (153)	\$ 499
Other components of net periodic pension (cost) income ⁽¹⁾	(2,573)	3,556	(123,920)
Other income ⁽²⁾	15,405	6,588	8,964
Total Other income (expense)	<u>\$ 13,388</u>	<u>\$ 9,991</u>	<u>\$ (114,457)</u>

(1) Other components of net periodic pension (cost) income includes pension settlements and curtailments as discussed in Note 11.

(2) In 2023, Other income primarily relates to non-recurring items such as royalty and other non-operating gains.

NOTE 13 – INCOME TAXES

The components of income before income taxes were as follows:

	Year Ended December 31,		
	2023	2022	2021
U.S.	\$ 508,316	\$ 359,760	\$ 143,290
Non-U.S.	178,550	233,067	181,708
Total	\$ 686,866	\$ 592,827	\$ 324,998

The components of income tax expense (benefit) were as follows:

	Year Ended December 31,		
	2023	2022	2021
Current:			
Federal	\$ 95,514	\$ 88,974	\$ 23,415
Non-U.S.	45,830	55,664	44,828
State and local	24,132	24,423	10,298
	165,476	169,061	78,541
Deferred:			
Federal	(13,068)	(38,462)	(21,538)
Non-U.S.	(7,515)	(3,281)	(4,488)
State and local	(3,275)	(6,715)	(4,097)
	(23,858)	(48,458)	(30,123)
Total	\$ 141,618	\$ 120,603	\$ 48,418

The differences between total income tax expense and the amount computed by applying the statutory federal income tax rate to income before income taxes for the three years ended December 31, 2023 were as follows:

	Year Ended December 31,		
	2023	2022	2021
Statutory rate applied to pre-tax income	\$ 144,242	\$ 124,492	\$ 68,250
State and local income taxes, net of federal tax benefit	17,979	12,904	4,005
Excess tax benefits resulting from exercises of stock-based compensation	(10,742)	(2,500)	(4,681)
Foreign Derived Intangible Income Deduction	(10,411)	(13,356)	(2,197)
Foreign rate variance	6,854	5,020	2,131
Valuation allowances	(4,135)	(4,547)	(4,209)
Research and development credit	(9,600)	(6,800)	(5,300)
Pension plan termination adjustment	—	—	(14,711)
U.S. tax cost of foreign source income	1,013	783	3,488
Other	6,418	4,607	1,642
Total	\$ 141,618	\$ 120,603	\$ 48,418
Effective tax rate	20.6 %	20.3 %	14.9 %

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The effective tax rate remained consistent in 2023 and 2022.

Total income tax payments, net of refunds, were \$180,512 in 2023, \$151,818 in 2022 and \$87,288 in 2021.

Deferred Taxes

Significant components of deferred tax assets and liabilities at December 31, 2023 and 2022, were as follows:

	December 31,	
	2023	2022
Deferred tax assets:		
Tax loss and credit carry-forwards	\$ 45,319	\$ 44,674
Inventory	2,941	937
Other accruals	17,984	29,601
Research and development capitalization	64,836	26,982
Employee benefits	28,639	26,674
Pension obligations	7,375	6,218
Other	5,640	7,344
Deferred tax assets, gross	172,734	142,430
Valuation allowance	(36,876)	(44,627)
Deferred tax assets, net	135,858	97,803
Deferred tax liabilities:		
Property, plant and equipment	43,339	40,198
Intangible assets	26,624	23,790
Inventory	4,918	3,846
Pension and other benefit liabilities	10,545	13,787
Other	18,402	10,393
Deferred tax liabilities	103,828	92,014
Total deferred taxes	\$ 32,030	\$ 5,789

At December 31, 2023, certain subsidiaries had net operating loss carry-forwards of approximately \$3,234 that expire in various years from 2024 through 2036, plus \$166,063 for which there is no expiration date.

In assessing the realizability of deferred tax assets, the Company assesses whether it is more-likely-than-not that a portion or all of the deferred tax assets will not be realized. The Company considers the scheduled reversal of deferred tax liabilities, tax planning strategies and projected future taxable income in making this assessment. At December 31, 2023, a valuation allowance of \$36,876 was recorded against certain deferred tax assets based on this assessment. The Company believes it is more-likely-than-not that the tax benefit of the remaining net deferred tax assets will be realized. The amount of net deferred tax assets considered realizable could be increased or reduced in the future if the Company's assessment of future taxable income or tax planning strategies changes.

The Company determined it will repatriate earnings for certain non-U.S. subsidiaries, which are subject to foreign withholding taxes. The Company has estimated the associated tax to be \$76. The Company considers remaining earnings and outside basis in all other non-U.S. subsidiaries to be indefinitely reinvested and has not recorded any deferred taxes as such estimate is not practicable.

Unrecognized Tax Benefits

Liabilities for unrecognized tax benefits related to uncertain tax positions are classified as Other liabilities unless expected to be paid in one year. Additionally, to the extent a position would not result in a cash tax liability, those amounts are generally recorded to Deferred income taxes to offset tax attributes. The Company recognizes interest and penalties related to unrecognized tax benefits in Income taxes. Current income tax expense included expense of \$101 for the year ended December 31, 2023 and benefits of \$486 for the year ended December 31, 2022 for interest and penalties.

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For those same years, the Company's accrual for interest and penalties related to unrecognized tax benefits totaled \$2,364 and \$2,292, respectively.

The following table summarizes the activity related to unrecognized tax benefits:

	2023	2022
Balance at beginning of year	\$ 17,423	\$ 18,211
Increase related to current year tax provisions	1,983	2,263
(Decrease)/increase related to prior years' tax positions	(1,642)	91
Decrease related to settlements with taxing authorities	(4,036)	(868)
Resolution of and other decreases in prior years' tax liabilities	(1,380)	(1,379)
Other	244	(895)
Balance at end of year	<u>\$ 12,592</u>	<u>\$ 17,423</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$10,036 at December 31, 2023 and \$14,504 at December 31, 2022.

The Company files income tax returns in the U.S. and various state, local and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2019. The Company is currently subject to various state audits and non-U.S. income tax audits. The Company is generally not able to precisely estimate the ultimate settlement amounts or timing until after the close of an audit. The Company evaluates its tax positions and establishes liabilities for unrecognized tax benefits related to uncertain tax positions that may be challenged by local authorities and may not be fully sustained.

Unrecognized tax benefits are reviewed on an ongoing basis and are adjusted for changing facts and circumstances, including management's judgment in the interpretation of applicable tax law, regulation or tax ruling, the progress of tax audits and closing of statutes of limitations. Based on information currently available, management believes that additional audit activity could be completed and/or statutes of limitations may close relating to existing unrecognized tax benefits. It is reasonably possible there could be a further reduction of \$1,646 in prior years' unrecognized tax benefits in 2024.

NOTE 14 – DERIVATIVES

The Company uses derivative instruments to manage exposures to currency exchange rates, interest rates and commodity prices arising in the normal course of business. Both at inception and on an ongoing basis, the derivative instruments that qualify for hedge accounting are assessed as to their effectiveness, when applicable. Hedge ineffectiveness was immaterial for each of the three years in the period ended December 31, 2023.

The Company is subject to the credit risk of the counterparties to derivative instruments. Counterparties include a number of major banks and financial institutions. None of the concentrations of risk with any individual counterparty was considered significant at December 31, 2023. The Company does not expect any counterparties to fail to meet their obligations.

Cash flow hedges

Certain foreign currency forward contracts are qualified and designated as cash flow hedges. The dollar equivalent gross notional amount of these short-term contracts was \$84,148 at December 31, 2023 and \$66,296 at December 31, 2022.

The Company has interest rate forward starting swap agreements that are qualified and designated as cash flow hedges. The dollar equivalent gross notional amount of the long-term contracts was \$100,000 at December 31, 2023 and 2022 and have a termination date of August 2025.

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The Company has commodity contracts that are qualified and designated as cash flow hedges. The notional amount of these contracts was 200,000 pounds at December 31, 2023 and 875,000 pounds at December 31, 2022.

In March 2023, the Company entered into interest rate swap agreements, which were qualified and designated as cash flow hedges, with an aggregate notional amount of \$150,000. The interest rate swaps will effectively convert the interest rate on \$150,000 of the Term Loan discussed in Note 9 from a variable rate based on one-month SOFR to a fixed rate.

Net investment hedges

The Company has foreign currency forward contracts that qualify and are designated as net investment hedges. The dollar equivalent gross notional amount of these short-term contracts was \$119,607 at December 31, 2023.

Derivatives not designated as hedging instruments

The Company has certain foreign exchange forward contracts which are not designated as hedges. These derivatives are held as hedges of certain balance sheet exposures. The dollar equivalent gross notional amount of these contracts was \$492,600 at December 31, 2023 and \$380,443 at December 31, 2022.

Fair values of derivative instruments in the Company's Consolidated Balance Sheets follow:

Derivatives by hedge designation	December 31, 2023				December 31, 2022			
	Other Current Assets	Other Current Liabilities	Other Assets	Other Liabilities	Other Current Assets	Other Current Liabilities	Other Assets	Other Liabilities
Designated as hedging instruments:								
Foreign exchange contracts	\$ 1,548	\$ 687	\$ —	\$ —	\$ 1,467	\$ 738	\$ —	\$ —
Interest rate swap agreements	—	—	1,460	—	—	—	—	—
Forward starting swap agreements	—	—	20,377	—	—	—	19,291	—
Net investment contracts	—	3,351	—	—	—	2,229	—	—
Commodity contracts	45	—	—	—	181	33	—	—
Not designated as hedging instruments:								
Foreign exchange contracts	4,063	623	—	—	2,348	790	—	—
Total derivatives	\$ 5,656	\$ 4,661	\$ 21,837	\$ —	\$ 3,996	\$ 3,790	\$ 19,291	\$ —

The effects of undesignated derivative instruments on the Company's Consolidated Statements of Income consisted of the following:

Derivatives by hedge designation	Classification of gain	Year Ended December 31,	
		2023	2022
Not designated as hedges:			
Foreign exchange contracts	Selling, general & administrative expenses	\$ 15,990	\$ 4,805

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The effects of designated cash flow hedges on AOCI and the Company's Consolidated Statements of Income consisted of the following:

Total gain recognized in AOCI, net of tax	December 31, 2023	December 31, 2022
Foreign exchange contracts	\$ 721	\$ 627
Interest rate swap agreements	1,085	—
Forward starting swap agreements	14,696	13,191
Net investment contracts	7,136	9,440
Commodity contracts	34	91

The Company expects a gain of \$755 related to existing contracts to be reclassified from AOCI, net of tax, to earnings over the next 12 months as the hedged transactions are realized.

Derivative type	Gain (loss) recognized in the Consolidated Statements of Income:	Year Ended December 31,	
		2023	2022
Foreign exchange contracts	Net Sales	\$ 5,210	\$ 962
	Cost of goods sold	590	1,906
Commodity contracts	Cost of goods sold	193	(169)

NOTE 15 – FAIR VALUE

The following table provides a summary of fair value assets and liabilities as of December 31, 2023 measured at fair value on a recurring basis:

Description	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Foreign exchange contracts	\$ 5,611	\$ —	\$ 5,611	\$ —
Interest rate swap agreements	1,460	—	1,460	—
Commodity contracts	45	—	45	—
Forward starting swap agreements	20,377	—	20,377	—
Pension surplus	41,849	41,849	—	—
Total assets	\$ 69,342	\$ 41,849	\$ 27,493	\$ —
Liabilities:				
Foreign exchange contracts	\$ 1,310	\$ —	\$ 1,310	\$ —
Net investment contracts	3,351	—	3,351	—
Deferred compensation	53,628	—	53,628	—
Total liabilities	\$ 58,289	\$ —	\$ 58,289	\$ —

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The following table provides a summary of fair value assets and liabilities as of December 31, 2022 measured at fair value on a recurring basis:

Description	Balance as of December 31, 2022	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Foreign exchange contracts	\$ 3,815	\$ —	\$ 3,815	\$ —
Commodity contracts	181	—	181	—
Forward starting swap agreements	19,291	—	19,291	—
Pension surplus	56,418	56,418	—	—
Total assets	\$ 79,705	\$ 56,418	\$ 23,287	\$ —
Liabilities:				
Foreign exchange contracts	\$ 1,528	\$ —	\$ 1,528	\$ —
Net investment contracts	2,229	—	2,229	—
Commodity contracts	33	—	33	—
Deferred compensation	39,090	—	39,090	—
Total liabilities	\$ 42,880	\$ —	\$ 42,880	\$ —

The fair value of the Company's pension surplus assets are based on quoted market prices in active markets and are included in the Level 1 fair value hierarchy. The pension surplus assets are invested in money market and short-term duration bond funds at December 31, 2023.

The Company's derivative contracts are valued at fair value using the market approach. The Company measures the fair value of foreign exchange contracts, interest rate swap agreements, forward starting swap agreements using Level 2 inputs based on observable spot and forward rates in active markets. During the year ended December 31, 2023, there were no transfers between Levels 1, 2 or 3.

The deferred compensation liability is the Company's obligation under its executive deferred compensation plan. The Company measures the fair value of the liability using the market values of the participants' underlying investment fund elections.

The fair value of Cash and cash equivalents, Marketable securities, Accounts receivable, Short-term debt excluding the current portion of long-term debt and Trade accounts payable approximated book value due to the short-term nature of these instruments at both December 31, 2023 and December 31, 2022. Refer to Note 9 to the consolidated financial statements for the fair value estimate of debt.

The Company has various financial instruments, including cash and cash equivalents, short and long-term debt and forward contracts. While these financial instruments are subject to concentrations of credit risk, the Company has minimized this risk by entering into arrangements with a number of major banks and financial institutions and investing in several high-quality instruments. The Company does not expect any counterparties to fail to meet their obligations.

NOTE 16 – INVENTORY

Inventories in the Consolidated Balance Sheet is comprised of the following components:

	December 31, 2023	December 31, 2022
Raw materials	\$ 160,809	\$ 181,076
Work-in-process	125,756	164,778
Finished goods	276,299	319,597
Total	\$ 562,864	\$ 665,451

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The valuation of LIFO inventories is made at the end of each year based on inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. Actual year-end inventory levels and costs may differ from interim LIFO inventory valuations. At December 31, 2023 and 2022, approximately 37% and 38% of total inventories, respectively, were valued using the LIFO method. The excess of current cost over LIFO cost was \$129,946 at December 31, 2023 and \$133,909 at December 31, 2022, or a benefit of \$3,963 in 2023 as compared with charges of \$19,733 in 2022.

NOTE 17 – LEASES

The table below summarizes the right-of-use assets and lease liabilities in the Company's Consolidated Balance sheets:

<u>Operating Leases</u>	<u>Balance Sheet Classification</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Right-of-use assets	Other assets	\$ 53,284	\$ 44,810
Current liabilities	Other current liabilities	\$ 13,104	\$ 10,378
Noncurrent liabilities	Other liabilities	41,576	35,945
Total lease liabilities		\$ 54,680	\$ 46,323

Total lease expense, which is included in Cost of goods sold and Selling, general and administrative expenses in the Company's Consolidated Statements of Income, was \$24,408, \$20,548 and \$21,630 in the years ended December 31, 2023, 2022 and 2021, respectively. Cash paid for amounts included in the measurement of lease liabilities for the years ended December 31, 2023 and 2022 was \$13,450 and \$12,036, respectively, are included in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows. Right-of-use assets obtained in exchange for operating lease liabilities during the years ended December 31, 2023 and 2022 were \$9,249 and \$9,332, respectively.

The total future minimum lease payments for noncancelable operating leases were as follows:

	<u>December 31, 2023</u>
2024	\$ 14,574
2025	11,786
2026	9,022
2027	6,574
2028	4,626
After 2028	14,647
Total lease payments	\$ 61,229
Less: Imputed interest	6,549
Operating lease liabilities	\$ 54,680

As of December 31, 2023 and 2022, the weighted average remaining lease term was 7.0 years and 7.8 years, respectively. As of December 31, 2023 and 2022, the weighted average discount rate used to determine the operating lease liability was 3.50% and 2.96%, respectively.

NOTE 18 – CONTINGENCIES

The Company, like other manufacturers, is subject from time to time to a variety of civil and administrative proceedings arising in the ordinary course of business. Such claims and litigation include, without limitation, product liability claims, regulatory claims, employment-related claims and health, safety and environmental claims, some of which relate to cases alleging asbestos induced illnesses. The claimants in the asbestos cases seek compensatory and punitive damages, in most cases for unspecified amounts. The Company believes it has meritorious defenses to these claims and intends to contest such suits vigorously.

The Company accrues its best estimate of the probable costs, after a review of the facts with management and counsel and taking into account past experience. For claims or litigation that are material, if an unfavorable outcome is determined to be reasonably possible and the amount of loss can be reasonably estimated, or if an unfavorable outcome is determined to be probable and the amount of loss cannot be reasonably estimated, disclosure would be provided. Many of the current cases are in differing procedural stages and information on the circumstances of each claimant, which forms the basis for judgments as to the validity or ultimate disposition of such actions, varies greatly. Therefore, in many situations a range of possible losses cannot be made. Reserves are adjusted as facts and circumstances change and related management assessments of the underlying merits and the likelihood of outcomes change. Moreover, reserves only cover identified and/or asserted claims. Future claims could, therefore, give rise to increases to such reserves.

Based on the Company's historical experience in litigating product liability claims, including a significant number of dismissals, summary judgments and defense verdicts in many cases and immaterial settlement amounts, as well as the Company's current assessment of the underlying merits of the claims and applicable insurance, the Company believes resolution of these claims and proceedings, individually or in the aggregate, will not have a material effect on the Company's consolidated financial statements.

NOTE 19 – SUPPLIER FINANCING PROGRAM

The Company's suppliers, at the supplier's sole discretion, are able to factor receivables due from the Company to a financial institution on terms directly negotiated with the financial institution without affecting the Company's balance sheet classification of the corresponding payable. The Company pays the financial institution the stated amount of the confirmed invoices from its designated suppliers on the original maturity dates of the invoices. Invoices with suppliers have terms between 120 and 180 days. The Company does not provide secured legal assets or other forms of guarantees under the arrangement and has no involvement in establishing the terms or conditions of the arrangement between its suppliers and the financial institution. The amounts due to the financial institution for suppliers that participate in the supplier financing program are included in Trade accounts payable on the Company's Consolidated Balance Sheets, and the associated payments are included in operating activities in the Consolidated Statements of Cash Flows. At December 31, 2023 and December 31, 2022, Trade accounts payable included \$29,111 and \$33,475, respectively, payable to suppliers that have elected to participate in the supplier financing program.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
LINCOLN ELECTRIC HOLDINGS, INC.
(In thousands)

Description	Balance at Beginning Of period	Additions		Deductions ⁽²⁾	Balance at End of Period
		Charged to Costs and Expenses	(Credited) Charged to Other Accounts ⁽¹⁾		
Allowance for doubtful accounts:					
Year Ended December 31, 2023	\$ 12,556	\$ 1,195	\$ (94)	\$ 2,193	\$ 11,464
Year Ended December 31, 2022	11,105	1,778	598	925	12,556
Year Ended December 31, 2021	14,779	718	(2,491)	1,901	11,105
Deferred tax asset valuation allowance:					
Year Ended December 31, 2023	\$ 44,627	\$ 4,570	\$ (606)	\$ 11,715	\$ 36,876
Year Ended December 31, 2022	55,619	2,262	(5,197)	8,057	44,627
Year Ended December 31, 2021	65,413	1,147	(3,873)	7,068	55,619

- (1) Currency translation adjustment, reductions from restructuring and other adjustments.
- (2) For the Allowance for doubtful accounts, deductions relate to uncollectible accounts written-off, net of recoveries. For the Deferred tax asset valuation allowance, deductions relate to the reversal of valuation allowances due to the realization of net operating loss carryforwards.

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**THE LINCOLN ELECTRIC COMPANY
EMPLOYEE SAVINGS PLAN**

As Amended and Restated Effective April 25, 2022

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THE LINCOLN ELECTRIC COMPANY

EMPLOYEE SAVINGS PLAN

The Lincoln Electric Company, an Ohio corporation, hereby amends and restates this profit sharing plan known as The Lincoln Electric Company Employee Savings Plan (the “Plan”), effective as of April 25, 2022, except for any provision with a different effective date provided herein. The Plan was originally effective as of November 1, 1994.

Plan History

The Lincoln Electric Company previously sponsored The Lincoln Electric Company Employee Stock Ownership Plan (the “Prior ESOP”). On July 1, 1997, the Prior ESOP was merged into the Plan and all participant accounts in the Prior ESOP were transferred to the Plan. These assets are reflected in the Prior ESOP Contributions Sub-Account under the Plan.

Effective December 20, 2001, the Plan was amended to provide that the “Holdings Stock Fund” was intended to be a stock bonus plan as defined in Treasury Regulation Section 1.401-1(b)(1)(iii) and a non-leveraged employee stock ownership plan satisfying the requirements of sections 401(a), 409(e), (h) and (o), and 4975(e)(7) of the Code. Notwithstanding the foregoing, the Prior ESOP Contributions Sub-Account held under the Plan will continue to reflect only amounts relating to the Prior ESOP.

Effective as of August 29, 2016, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Weartech International, Inc., the Weartech International, Inc. 401(k) Plan (the “Weartech Plan”) was merged with and into the Plan and all accounts held under the Weartech Plan were transferred to the Plan.

Effective as of August 1, 2017, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and J.W. Harris Co., Inc., the J.W. Harris Co., Inc. Profit Sharing/ 401(k) Plan (the “Harris Plan”) was merged with and into the Plan and all accounts held under the Harris Plan were transferred to the Plan.

Effective January 1, 2019, the Plan was amended to divide the Holdings Stock Fund into (1) the “ESOP Holdings Stock Sub-Fund” which is intended to be a stock bonus plan as defined in Treasury Regulation Section 1.401-1(b)(1)(iii) and a non-leveraged employee stock ownership plan satisfying the requirements of sections 401(a), 409(e), (h) and (o), and 4975(e)(7) of the Code and (2) the “Non-ESOP Holdings Stock Sub-Fund” which is intended to be a stock bonus plan as



defined in Treasury Regulation Section 1.401-1(b)(1)(iii).

Effective as of the close of business on December 31, 2019, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company, Wolf Robotics, LLC and Rimrock Corporation, the Wolf Robotics, LLC 401(k) Retirement Savings Plan (the “Wolf Plan”) and the Rimrock Corporation 401(k) Retirement Savings Plan (the “Rimrock Plan”) were merged with and into the Plan and all accounts held under the Wolf Plan and the Rimrock Plan were transferred to the Plan.

Effective as of January 1, 2020, the following entities were consolidated with and into The Lincoln Electric Company: Arc Products, Inc.; Baker Industries, Inc.; Kaliburn, Inc.; and Lincoln Electric Cutting System, Inc. Prior to January 1, 2020, Baker Industries, Inc., Kaliburn, Inc. and Lincoln Electric Cutting System, Inc. were separate participating Employers under the Plan. Effective as of January 1, 2021, the following entities were consolidated with and into Wayne Trail Technologies, Inc., which was renamed as Lincoln Electric Automation, Inc.: Coldwater Machine Company, LLC; Pro-Systems, LLC; Rimrock Corporation; Tennessee Rand, Inc.; Vizient Manufacturing Solutions, Inc.; and Wolf Robotics, LLC. Prior to January 1, 2021, Coldwater Machine Company, LLC, Pro-Systems, LLC, Rimrock Corporation, Vizient Manufacturing Solutions, Inc. and Wolf Robotics, LLC were separate participating Employers under the Plan.

Effective as of January 15, 2021, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Lincoln Electric Automation, Inc. (as successor to Pro-Systems, LLC), the Pro-Systems, LLC 401(k) Plan (the “Pro-Systems Plan”) was merged with and into the Plan and all accounts held under the Pro-Systems Plan were transferred to the Plan.

Effective as of April 25, 2022, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Techalloy, Inc., the Techalloy, Inc. Employee Savings Plan (the “Techalloy Plan”), will merge with and into the Plan and all accounts held under the Techalloy Plan, will be transferred to the Plan.

Effective as of April 29, 2022, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Lincoln Electric Automation, Inc. (as successor to Tennessee Rand, Inc.), the Tennessee Rand, Inc. 401(k) Plan (the “Tennessee Rand Plan”), will merge with and into the Plan and all accounts held under Tennessee Rand Plan will be transferred to the Plan.

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Effective as of May 2, 2022, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Lincoln Electric Automation, Inc. (as successor to Wayne Trail

Technologies, Inc.), the Wayne Trail Technologies 401(k) and Profit Sharing Plan (the “Wayne Trail Plan”) will merge with and into the Plan and all accounts held under the Wayne Trail Plan will be transferred to the Plan.

ARTICLE I -DEFINITIONS AND CONSTRUCTION

1.1 **Definitions** . The following terms when used in the Plan and the Trust Agreement with initial capital letters, unless the context clearly indicates otherwise, shall have the following respective meanings:

(1) Account and Sub-Account : See Section 5.2. A Member's Account shall be divided into (a) an ESOP Account and (b) a Non-ESOP Account.

(2) Administrative Committee or Committee : The committee provided for in Section 8.1, which shall have the functions and duties specified in Section 8.5.

(3) Administrator or Plan Administrator : The Administrator of the Plan, as defined in section 3(16)(A) of ERISA and section 414(g) of the Code, shall be the Company, which may delegate all or any part of its powers, duties and authorities in such capacity (without ceasing to be the Administrator of the Plan) as hereinafter provided.

(4) Automatic Salary Reduction Agreement : An arrangement under the Plan which an Employee is deemed to have entered into and pursuant to which the Employee is deemed to have agreed to reduce, or forgo an increase in, his Base Compensation and his Employer agrees to contribute to the Trust the amount so reduced or foregone as a Before-Tax Contribution.

(5) Base Compensation : The regular salary and/or wages and overtime, commissions, vacation pay, shift and incentive premiums and regular pay adjustments paid to an Employee by the Employers, specifically excluding, however, Bonus Compensation, reimbursed expenses and other special payments. Unless otherwise indicated herein, an Employee's Base Compensation shall be calculated prior to any reduction thereof made pursuant to a Salary Reduction Agreement or an Automatic Salary Reduction Agreement, as applicable, under the Plan, pursuant to any agreement under section 125 of the Code or as a result of "deemed 125 compensation" within the meaning of Revenue Ruling 2002-27. The term "Base Compensation" shall not include any differential wage payments (within the meaning of section 3401(h)(2) of the Code) made to an Employee by the Employers.

(6) Before-Tax Contributions : The contributions made pursuant to Section 3.1 of the Plan, elective deferral contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants, elective deferral contributions made to the Harris Plan on behalf of Former Harris Plan Participants, elective deferral contributions made to the Rimrock Plan on behalf of



Former Rimrock Plan Participants, elective deferral contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants, elective deferral contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants, elective deferral contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants, elective deferral contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants, and elective deferral contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants, in each case excluding Roth Contributions. Except as otherwise specifically provided in the Plan, the term “Before-Tax Contributions” when used herein shall include all Catch-Up Before-Tax Contributions, as defined in Section 3.11.

(7) Beneficiary : A Member’s Death Beneficiary or any other person who, after the death of a Member, is entitled to receive any benefit payable with respect to such Member.

(8) Board : The Board of Directors of the Company.

(9) Bonus Compensation : Bonuses paid to an Employee by the Employers in connection with an Employer’s or the Employers’ regular incentive compensation program, excluding special payments such as signing bonuses, retention bonuses and other similar payments, and excluding amounts that are paid after the end of the pay period in which the effective date of an Employee’s termination of employment occurs. Unless otherwise indicated herein, an Employee’s Bonus Compensation shall be calculated prior to any reduction thereof made pursuant to a Salary Reduction Agreement under the Plan, pursuant to any agreement under section 125 of the Code or as a result of “deemed 125 compensation” within the meaning of Revenue Ruling 2002-27.

(10) Break in Service and 1-Year Break in Service : An Employee incurs a Break in Service on his Employment Severance Date and a 1-Year Break in Service if he fails to perform an Hour of Service for a Controlled Group Member during the 12-month period beginning on such Employment Severance Date; provided, however, that an Employee whose Employment Severance occurs by reason of his resignation, retirement or discharge shall not incur a Break in Service (or a 1-Year Break in Service) if during the 12-month period commencing with his Employment Severance Date (or, if such Employment Severance occurs during a period of absence referred to in Section 1.1(26)(b), during the 12 month period commencing with the first day of such period of absence) he performs an Hour of Service for a Controlled Group Member. If an Employee is absent from work (a) by reason of the pregnancy of the Employee, (b) by reason of

the birth of a child of the Employee, (c) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (d) for purposes of caring for a child for a period beginning immediately following the birth or placement of such child, such Employee shall not, solely by reason of such absence, be considered to have incurred a Break in Service until the expiration of the consecutive 24-month period commencing on the first day of such absence and shall incur a 1-Year Break in Service if he does not perform an Hour of Service during the 12-month period immediately following such 24-month period. With respect to a Former Weartech Plan Participant, for periods prior to August 29, 2016, the term "Break in Service" shall mean "Break in Vesting Service" (as defined in the Weartech Plan). With respect to a Former Pro-Systems Plan Participant, for periods prior to January 15, 2021, the term "Break In Service" shall mean "Break in Service" (as defined in the Pro-Systems Plan for vesting purposes). With respect to a Former Techalloy Plan Participant, for periods prior to April 25, 2022, the term "Break In Service" shall mean "One-Year Break in Service" (as defined in the Techalloy Plan for vesting purposes). With respect to a Former Tennessee Rand Plan Participant, for periods prior to April 29, 2022, the term "Break In Service" shall mean "1-Year Break in Service" (as defined in the Tennessee Rand Plan for vesting purposes). With respect to a Former Wayne Trail Plan Participant, for periods prior to May 2, 2022, the term "Break In Service" shall mean "One-Year Break in Service" (as defined in the Wayne Trail Plan for vesting purposes).

(11) Code : The Internal Revenue Code of 1986, as it has been and may be amended from time to time.

(12) Company : The Lincoln Electric Company, an Ohio corporation.

(13) Compensation :

(a) The total Base Compensation and Bonus Compensation paid to an Employee by the Employers.

(b) Notwithstanding the foregoing, Compensation of an Employee taken into account for any purpose for any Plan Year shall not exceed \$200,000 (as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code).

(14) Controlled Group : The Employers and any and all other corporations, trades and/or businesses, the employees of which together with Employees of an Employer are required by section 414 of the Code to be treated as if they were employed by a single employer.

(15) Controlled Group Member : Each corporation or unincorporated trade or business that is or was a member of the Controlled Group, but only during such period as it is or was such a member of the Controlled Group.

(16) Covered Employee : An Employee of an Employer, excluding, however, (a) any “leased employee” (as defined in Section 1.1(21)) of an Employer, (b) any Disabled Employee and (c) any Employee classified by an Employer as either an intern or a Co-Op Employee.

(17) Death Beneficiary : A Member’s Spouse or, if he has no Spouse or if his Spouse consents (in the manner hereinafter described in this Subsection) to the designation hereinafter provided for in this Subsection, such person or persons other than, or in addition to, his Spouse as may be designated by a Member as his Death Beneficiary under the Plan. Such a designation may be made, revoked or changed only by an instrument (in form acceptable to the Committee) that is signed by the Member, that, if he has a Spouse, includes his Spouse’s written consent to the action to be taken pursuant to such instrument (unless such action results in the Spouse being named as the Member’s sole Death Beneficiary), and that is filed with the Committee before the Member’s death.

A Spouse’s consent required by this Subsection shall be signed by the Spouse, shall acknowledge the effect of such consent, shall be witnessed by any person designated by the Committee as a Plan representative or by a notary public and shall be effective only with respect to such Spouse. At any time when all the persons designated by the Member as his Death Beneficiary have ceased to exist or if the Member has not made an effective Death Beneficiary designation pursuant to this Subsection, his Death Beneficiary shall be his Spouse or, if he does not then have a Spouse, his estate. Any designation of a Death Beneficiary made by a Former Rimrock Plan Participant or Former Wolf Plan Participant pursuant to the Rimrock Plan or Wolf Plan, as applicable, shall be cancelled as of the close of business on December 31, 2019. Any designation of a Death Beneficiary made by a Former Pro-Systems Plan Participant pursuant to the Pro-Systems Plan shall be cancelled as of January 15, 2021. Any designation of a Death Beneficiary made by a Former Techalloy Plan Participant pursuant to the Techalloy Plan shall be cancelled as of April 25, 2022. Any designation of a Death Beneficiary made by a Former Tennessee Rand Plan Participant pursuant to the Tennessee Rand Plan shall be cancelled as of April 29, 2022. Any designation of a Death Beneficiary made by a Former Wayne Trail Plan Participant pursuant to the Wayne Trail Plan shall be cancelled as of May 2, 2022.

(18) Disability : In the case of a Member who is a Former Weartech Plan Participant, a Former Pro-Systems Plan Participant or a Former Tennessee Rand Plan Participant, Disability means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months. In the case of a Member who is a Former Rimrock Plan Participant or a Former Wolf Plan Participant, Disability means the Member suffers from a medically determinable physical or mental impairment that may be expected to result in death or to last for a continuous period of not less than twelve months and that renders him incapable of performing his duties. The permanence and degree of such impairment of a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant or Former Tennessee Rand Plan Participant must be supported by medical evidence satisfactory to the Administrative Committee. In the case of all other Members, a Member shall be considered to have incurred a Disability if he is eligible for and receives disability insurance benefits under the Federal Social Security Act. A Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant or Former Tennessee Rand Plan Participant who is eligible for and receives disability insurance benefits under the Federal Social Security Act shall be deemed to have incurred a Disability. A Member who incurs a Disability is “Disabled”.

(19) Eligible Employee : An Employee who is eligible to have his Employer make Before-Tax Contributions and Roth Contributions for him to the Trust as provided in Article II of the Plan.

(20) Eligible Rollover Distribution: Any distribution of all or any portion of the balance to the credit of the distributee, except (a) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more, (b) any distribution to the extent the distribution is required under section 401(a)(9) of the Code, (c) the portion of any distribution that consists of after-tax employee contributions (other than a distribution from a designated Roth account (as defined in section 402A of the Code)), (d) any distribution that is made upon hardship of the Employee and (e) such other amounts specified in Treasury regulations

or Internal Revenue Service rulings, notices or announcements issued under section 402(c) of the Code.

(21) Employee : An employee of a Controlled Group Member and, to the extent required by section 414(n) of the Code, any person who is a “leased employee” of a Controlled Group Member. For purposes of this Subsection, a “leased employee” means any person who, pursuant to an agreement between a Controlled Group Member and any other person (“leasing organization”), has performed services for the Controlled Group Member on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction and control of the Controlled Group Member. Contributions or benefits provided a leased employee by the leasing organization that are attributable to services performed for a Controlled Group Member will be treated as provided by the Controlled Group Member. A leased employee will not be considered an Employee of a Controlled Group Member, however, if (a) leased employees do not constitute more than 20 percent of the Controlled Group Member’s nonhighly compensated work force (within the meaning of section 414(n)(5)(C)(ii) of the Code) and (b) such leased employee is covered by a money purchase pension plan maintained by the leasing organization that provides (i) a nonintegrated employer contribution rate of at least 10 percent of compensation (including amounts contributed pursuant to a salary reduction agreement that are excludable from the leased employee’s gross income under section 125, section 402(e)(3), section 402(h) or section 403(b) of the Code), (ii) immediate participation, and (iii) full and immediate vesting. The term “Employee” shall not include (a) any person rendering services solely as a director, (b) any person who is classified by the Employer or a Controlled Group Member as an independent contractor, or (c) any person who is a nonresident alien and who receives no earned income (within the meaning of section 911(b) of the Code) from the Employer or a Controlled Group Member that constitutes income from sources within the United States (within the meaning of section 861(a)(3) of the Code).

(22) Employer : The Company and any other Controlled Group Member adopting the Plan pursuant to Article XII.

(23) Employer Contributions : Matching Employer Contributions as described in Section 4.1 (and in any Instrument of Adoption), Qualified Nonelective Contributions as described in Section 4.4, Nonelective Employer Contributions as described in Section 4.6, Transitional

Employer Contributions as described in Section 4.8 or FSP Contributions and FSP Plus Contributions as described in Section 4.13.

(24) Employment : An Employee's Employment shall equal the total aggregate periods of his regular, full-time employment with an Employer. Periods of Employment are aggregated on the basis that one calendar month of Employment equals one month and each additional 30 days of Employment equals one month. Notwithstanding the foregoing, (a) periods of employment with Vernon Tool Co., LTD prior to November 30, 2007, shall not be treated as Employment for any purpose under the Plan; (b) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Employment shall include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an "Employee" (as defined in the Plan) on November 14, 2012; (c) in the case of a Former Weartech Plan Participant who is an Employee on August 29, 2016, Employment shall include periods of regular, full-time employment with Weartech International, Inc. prior to August 29, 2016; (d) in the case of a Former Harris Plan Participant who is an Employee on August 1, 2017, Employment shall include periods of regular, full-time employment with J.W. Harris Co., Inc. prior to August 1, 2017; and (e) Employment shall include periods of full-time employment with the Employer while the Employee is classified by the Employer as on unpaid temporary furlough.

(25) Employment Commencement Date : The date on which an Employee first performs an Hour of Service for a Controlled Group Member.

(26) Employment Severance and Employment Severance Date : An Employment Severance occurs on the earlier of (a) the date on which an Employee's employment with the Controlled Group is terminated because of death, resignation, retirement or discharge or (b) the first anniversary of the first day of a period in which the Employee remains absent from employment (with or without pay) with the Controlled Group for any reason other than death, resignation, retirement or discharge; and the date on which an Employee's Employment Severance occurs shall be referred to as his Employment Severance Date.

(27) Enrollment Date : The first day of each month; provided, however, that in any case where pursuant to Section 3.1(1) the Administrative Committee has provided for separate elections to reduce Base Compensation and Bonus Compensation, "Enrollment Date" with respect to Bonus Compensation shall mean the date designated by the Administrative Committee, which date shall not be later than the day before the date that such Bonus Compensation is determined.

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(28) ERISA: The Employee Retirement Income Security Act of 1974, as amended.

(29) ESOP Account : The ESOP Holdings Stock Sub-Fund which is intended to be a stock bonus plan as defined in Treasury Regulation Section 1.401-1(b)(1)(iii) and a non-leveraged employee stock ownership plan satisfying the requirements of sections 401(a), 409(e), (h) and (o), and 4975(e)(7) of the Code. The ESOP Account shall consist of the following amounts, plus allocated earnings thereto: (a) amounts invested in the Holdings Stock Fund prior to January 1, 2019 and not thereafter transferred to an Investment Fund other than the Holdings Stock Fund; (b) amounts invested in the Holdings Stock Fund from any of the following Sub-Accounts at any time: (i) Rollover Contributions; (ii) Prior ESOP Contributions; (iii) FSP Contributions; (iv) FSP Plus Contributions; (v) Weartech Prior Matching Contributions or (vi) Harris Prior Employer Contributions; (c) solely to the extent designated in any applicable Instrument of Merger or similar document, amounts invested in the Holdings Stock Fund from amounts transferred to the Plan on behalf of a Member from another qualified plan pursuant to Section 3.10 hereof for the current Plan Year; (d) amounts annually transferred from the Non-ESOP Holdings Stock Sub-Fund and the Non-ESOP Account in accordance with Section 5.6; and (e) amounts transferred by a Member from an Investment Fund other than the Holdings Stock Fund to the Holdings Stock Fund pursuant to Section 5.5(2) at any time after the Plan Year in which the contribution to which the amount is attributable was made to the Plan.

(30) Former Harris Plan Participant . Any person who immediately prior to the effective time of the merger of the Harris Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Harris Plan.

(31) Former Pro-Systems Plan Participant . Any person who immediately prior to the effective time of the merger of the Pro-Systems Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Pro-Systems Plan.

(32) Former Rimrock Plan Participant : Any person who immediately prior to the effective time of the merger of the Rimrock Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Rimrock Plan.

(33) Former Techalloy Plan Participant . Any person who immediately prior to the effective time of the merger of the Techalloy Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Techalloy Plan.

(34) Former Tennessee Rand Plan Participant . Any person who immediately prior to the effective time of the merger of the Tennessee Rand Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Tennessee Rand Plan.

(35) Former Wayne Trail Plan Participant . Any person who immediately prior to the effective time of the merger of the Wayne Trail Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Wayne Trail Plan.

(36) Former Weartech Plan Participant : Any person who immediately prior to the effective time of the merger of the Weartech Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Weartech Plan.

(37) Former Wolf Plan Participant: Any person who immediately prior to the effective time of the merger of the Wolf Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Wolf Plan.

(38) FSP Contributions : Employer Contributions described in Section 4.13.

(39) FSP Participant or FSP Plus Participant : An Employee who prior to January 1, 2017 was an “FSP Participant” or an “FSP Plus Participant” as such terms were defined under the Plan as in effect prior to January 1, 2017.

(40) Fiduciary : Any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of the Trust Fund, (b) renders investment advice for fee or other compensation, direct or indirect, with respect to the Trust Fund, or has authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan or the Trust Fund. The term “Fiduciary” shall also include any person to whom a Named Fiduciary delegates any of its or his fiduciary responsibilities hereunder in accordance with the provisions of the Plan or Trust Agreement.

(41) Hardship : Financial need on the part of a Member on account of:

(a) expenses for (or necessary to obtain) medical care that would be deductible under section 213(d) of the Code (determined without regard to the limitations in section 213(a) of the Code);

(b) costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Member;

(c) the payment of tuition and related educational fees and room and board expenses for up to the next 12 months of post-secondary education for the Member, his Spouse, children, or dependents (as defined in section 152 of the Code, and without regard to section 152(b)(1), (b)(2) or (d)(1)(B) of the Code);

(d) payments necessary to prevent the eviction of the Member from his principal residence or foreclosure on the mortgage of the Member's principal residence;

(e) payments for burial or funeral expenses for the Member's deceased parent, Spouse, children or dependents (as defined in section 152 of the Code, and without regard to section 152(d)(1)(B) of the Code);

(f) expenses for the repair of damage to the Member's principal residence that would qualify for the casualty deduction under section 165 of the Code (determined without regard to section 165(h)(5) of the Code and whether the loss exceeds 10% of adjusted gross income); or

(g) to the extent determined by the Administrative Committee, any other financial need that the Commissioner of Internal Revenue, through the publication of revenue rulings, notices and other documents of general applicability, may from time to time designate as a deemed immediate and heavy financial need.

(42) Harris Plan : The J.W. Harris Co., Inc. Profit Sharing/401(k) Plan, as in effect immediately prior to its merger into the Plan effective as of August 1, 2017.

(43) Harris Prior Employer Contributions : Matching employer contributions and nonelective employer contributions, if any, made to the Harris Plan on behalf of Former Harris Plan Participants who are not Employees on August 1, 2017.

(44) Highly Compensated Employee :

(a) For a particular Plan Year, any Employee (i) who, during the current or preceding Plan Year, was at any time a 5-percent owner (as such term is defined in section 416(i)(1) of the Code), or (ii) for the preceding Plan Year, received compensation from the Controlled Group in excess of the amount in effect for such Plan Year under section 414(q)(1)(B) of the Code.

(b) "Highly Compensated Employee" shall include a former Employee whose Employment with the Controlled Group terminated prior to the Plan Year and who was a

Highly Compensated Employee for the Plan Year in which his employment terminated or for any Plan Year ending on or after his 55th birthday.

(c) For purposes of this Subsection, the term “compensation” shall mean an Employee’s compensation under Section 4.11(3).

(45) Holdings Stock : Stock that constitutes “qualifying employer securities,” including voting or non-voting common stock of Lincoln Electric Holdings, Inc. The term “qualifying employer securities,” as defined in section 409(l) of the Code, means common stock issued by the Employer (or by a Controlled Group Member) which is readily tradable on an established securities market. If there is no common stock which meets the requirements of the previous sentence, the term “employer securities” means common stock issued by the Employer (or by a Controlled Group Member) having a combination of voting power and dividend rights equal to or in excess of (i) that class of common stock of the Employer (or of any such Controlled Group Member) having the greatest voting power, and (ii) that class of common stock of the Employer (or of any such Controlled Group Member) having the greatest dividend rights.

(46) Holdings Stock Fund : The Investment Funds within the Trust in which are held Holdings Stock allocated to a Member’s Account (or Sub-Account). The Holdings Stock Fund is divided into (a) the ESOP Holdings Stock Sub-Fund which is intended to be invested primarily in Holdings Stock and (b) the Non-ESOP Holdings Stock Sub-Fund.

(47) Hour of Service :

(a) For all purposes other than determining whether an Employee has been credited with a Year of Eligibility Service, an “Hour of Service” shall mean an hour for which an Employee is paid, or entitled to payment, by one or more Controlled Group Members for the performance of duties as an Employee.

(b) For purposes of determining whether an Employee has been credited with a Year of Eligibility Service, an “Hour of Service” shall mean:

(i) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for a Controlled Group Member. These hours shall be credited to the Employee for the computation period or periods in which the duties are performed;

(ii) Each hour for which an Employee is paid, or entitled to payment, by a Controlled Group Member on account of a period of time during which no duties

are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. Hours under this subparagraph shall be calculated and credited pursuant to section 2530.200b-2 of the Department of Labor Regulations, which are incorporated herein by this reference; and

(iii) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by a Controlled Group Member. The same Hours of Service shall not be credited both under subparagraph (i) or (ii) above, as the case may be, and under this subparagraph (iii). These hours shall be credited to the Employee for the computation period or periods to which the award or agreement pertains, rather than the computation period in which the award, agreement, or payment is made.

Notwithstanding the foregoing, for purposes of determining whether an Employee has been credited with a Year of Eligibility Service, an Employee who is classified by the Employer as on unpaid temporary furlough shall be credited with the Hours of Service with which a similarly-situated Employee would normally have been credited if such furlough had not occurred, as determined in accordance with reasonable procedures adopted from time to time by the Committee.

(48) Instrument of Adoption : The instrument referred to in Section 12.1.

(49) Investment Committee : The committee provided for in Section 8.1 which shall have the responsibilities specified in Section 8.8.

(50) Investment Funds : Any of the investment funds established by the Investment Committee under Section 5.1.

(51) Matching Contribution Participant : An Employee who has become and continues to be a Matching Contribution Participant in accordance with the provisions of Article II.

(52) Matching Employer Contributions : The contributions made pursuant to Section 4.1 of the Plan (or pursuant to any Instrument of Adoption), employer matching contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants who were Employees on August 29, 2016, matching employer contributions made to the Harris Plan on behalf of Former

Harris Plan Participants who were Employees on August 1, 2017, matching employer contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were employees of Rimrock Corporation on January 1, 2020, matching employer contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants who were employees of Wolf Robotics, LLC on January 1, 2020, qualified matching contributions made pursuant to the Rimrock Plan on behalf of Former Rimrock Plan Participants or the Wolf Plan on behalf of Former Wolf Plan Participants, matching employer contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants who (A) were employed by Pro-Systems, LLC on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC) on January 15, 2021, matching employer contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) were employed by Arc Products, Inc. on December 31, 2019 or (B) are employees of The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, matching employer contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) were employed by Tennessee Rand, Inc. on December 31, 2020 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, and matching employer contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) were employed by Wayne Trail Technologies, Inc. on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022.

(53) Matching Employer Contribution Percentage : One hundred (100) percent or such other percentage applicable to a particular Employer's employees (or group of employees) as approved by the Administrative Committee and specified in the Employer's Instrument of Adoption.

The applicable Matching Employer Contribution Percentage shall be applied as provided in Section 4.1 (or the Employer's Instrument of Adoption) against Before-Tax Contributions and Roth Contributions made for a Plan Year that are not in excess of the percentage of Compensation specified in Section 4.1 or in the Employer's Instrument of Adoption. Except as otherwise specifically provided in the Plan or an Instrument of Adoption, if an Employer's Instrument of Adoption does not specify a Matching Employer Contribution Percentage, the applicable percentage shall be one hundred (100) percent.

(54) Member : An Employee who has become and continues to be a Member of the Plan in accordance with the provisions of Article II.

(55) Named Fiduciaries : The persons designated in or pursuant to Section 10.2.

(56) Nonelective Contribution Participant : An Employee who has become and continues to be a Nonelective Contribution Participant in accordance with the provisions of Article II.

(57) Nonelective Employer Contributions : The contributions made pursuant to Section 4.6 of the Plan, nonelective employer contributions made to the Harris Plan on behalf of Former Harris Plan Participants who were Employees on August 1, 2017, nonelective employer contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were employees of Rimrock Corporation on January 1, 2020, nonelective employer contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants who were employees of Wolf Robotics, LLC on January 1, 2020, nonelective employer profit sharing contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) were employed by Arc Products, Inc. on December 31, 2019 or (B) are employees of The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, nonelective employer profit sharing contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) were employed by Tennessee Rand, Inc. on December 31, 2020 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, and nonelective employer profit sharing contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) were employed by Wayne Trail Technologies, Inc. on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022.

(58) Non-ESOP Account : The Non-ESOP Account shall consist of the following amounts, plus allocated earnings thereto: (a) Before-Tax Contributions, Roth Contributions, Matching Employer Contributions, Qualified Nonelective Contributions, Nonelective Employer Contributions and Transitional Employer Contributions, in each case that are made for the current Plan Year and invested in the Holdings Stock Fund; (b) all contributions invested in any Investment Fund other than the Holdings Stock Fund and (c) solely to the extent designated in any applicable Instrument of Merger or similar document, amounts transferred to the Plan on behalf of a Member from another qualified plan pursuant to Section 3.10 hereof; provided that the Non-

ESOP Account shall not include any portion of such contributions that are transferred to the Member's ESOP Account pursuant to Section 5.6 of the Plan. In furtherance of, but without limiting the foregoing, the Non-ESOP Holdings Stock Sub-Fund, which is intended to be a stock bonus plan as defined in Treasury Regulation Section 1.401-1(b)(1)(iii), is also part of the Non-ESOP Account.

(59) Normal Retirement Date : The date on which a Member attains age 60.

(60) Plan : The Lincoln Electric Company Employee Savings Plan, the terms and provisions of which are herein set forth, as the same may be amended, supplemented or restated from time to time. The Plan shall consist of two portions, the ESOP Account and the remainder of the Plan which is a profit sharing plan (with a portion consisting of a stock bonus plan).

(61) Plan Year : A calendar year.

(62) Prior ESOP Contributions : Amounts attributable to contributions, plus gains and losses thereon that were held prior to July 1, 1997 in The Lincoln Electric Company Employee Stock Ownership Plan, a frozen profit sharing plan which was merged into the Plan effective January 1, 1997.

(63) Pro-Systems Plan : The Pro-Systems, LLC 401(k) Plan, as in effect immediately prior to its merger into the Plan effective as of January 15, 2021.

(64) Pro-Systems Prior Employer Contributions : Matching employer contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants who (A) are not employed by Lincoln Electric Automation, Inc. (as successor to Pro-Systems, LLC) on January 15, 2021 and (B) were not employed by Pro-Systems, LLC on December 31, 2019.

(65) Qualified Nonelective Contributions : A contribution made by an Employer pursuant to Section 4.4 that (a) Members eligible to share therein may not elect to receive in cash until distribution from the Plan, (b) are nonforfeitable when made, (c) are distributable only in accordance with the distribution rules applicable to Before-Tax Contributions and (d) are paid to the Trust Fund during the Plan Year for which made or within the time following the close of such Plan Year that is prescribed by law for the filing by an Employer of its federal income tax return (including extensions thereof). The term "Qualified Nonelective Contributions" shall also include qualified nonelective contributions made pursuant to similar provisions of the Rimrock Plan on behalf of Former Rimrock Plan Participants, of the Wolf Plan on behalf of Former Wolf Plan Participants or of the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants.

(66) Reemployment Commencement Date : The date following an Employee's Break in Service on which he again performs an Hour of Service for a Controlled Group Member.

(67) Retirement Annuity Program : The Lincoln Electric Company Retirement Annuity Program.

(68) Retirement Choice : The choice provided by the Company in June 2006 to Employees who were Participating Members (as such term is defined in the Retirement Annuity Program) under the Retirement Annuity Program and certain Employees who were eligible to become Participating Members under the Retirement Annuity Program, with respect to the retirement benefits that would be earned by such Employees during their employment on and after July 16, 2006. The choice given to an Employee described in the preceding sentence was to have his retirement benefit attributable to his employment on and after July 16, 2006 determined by (a) a continuation of the terms of the Retirement Annuity Program applicable to such Employee on July 15, 2006, or the terms of the Retirement Annuity Program that would have been applicable to the Employee if he had been a Participating Member in the Retirement Annuity Program on July 15, 2006, and FSP Contributions hereunder if he was eligible therefor prior to July 16, 2006 or would have been eligible therefor prior to July 16, 2006 if he had been a Participating Member in the Retirement Annuity Program on July 15, 2006, or (b) the RAP 1.25% Formula (as defined in the Retirement Annuity Program) under the Retirement Annuity Program and FSP Plus Contributions hereunder. The election made pursuant to the choice described in this Section was irrevocable.

(69) Rimrock Plan : The Rimrock Corporation 401(k) Retirement Savings Plan, as in effect immediately prior to its merger into the Plan effective as of the close of business on December 31, 2019.

(70) Rimrock Prior Employer Contributions : Matching employer contributions and nonelective employer contributions, if any, made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were not employed by Rimrock Corporation on January 1, 2020.

(71) Rollover Contributions : Cash or cash equivalents received and held by the Trustee pursuant to the provisions of Section 3.9, rollover contributions made to the Weartech Plan by Former Weartech Plan Participants, rollover contributions made to the Rimrock Plan by Former Rimrock Plan Participants, rollover contributions made to the Wolf Plan by Former Wolf Plan Participants, rollover contributions made to the Pro-Systems Plan by Former Pro-Systems Plan

Participants, rollover contributions made to the Techalloy Plan by Former Techalloy Plan Participants, rollover contributions made to the Tennessee Rand Plan by Former Tennessee Rand Plan Participants, and rollover contributions made to the Wayne Trail Plan by Former Wayne Trail Plan Participants.

(72) Roth Contributions : The contributions made pursuant to Section 3.1 of the Plan which the Member has irrevocably designated as being contributed in lieu of all or a portion of the Before-Tax Contributions that the Member is otherwise eligible to make under the Plan, and which are treated by the Company as includible in the Member's gross income pursuant to section 402A of the Code at the time the Member would have received that amount in cash if the Member had not elected to make the contribution, and Roth contributions made pursuant to similar provisions of the Rimrock Plan on behalf of Former Rimrock Plan Participants, of the Wolf Plan on behalf of Former Wolf Plan Participants or of the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants. Except as otherwise specifically provided in the Plan, the term "Roth Contributions" when used herein shall include all Catch-Up Roth Contributions, as defined in Section 3.11.

(73) Roth Rollover Contributions Sub-Account : The portion of a Member's Rollover Contributions Sub-Account that holds any amount received as a Rollover Contribution on the Member's behalf from a designated Roth account, as defined in section 402A of the Code, plus allocated earnings thereto.

(74) Salary Reduction Agreement : An arrangement made under the Plan pursuant to which an Employee agrees to reduce, or to forego an increase in, his Compensation and his Employer agrees to contribute to the Trust the amount so reduced or foregone as a Before-Tax Contribution and/or Roth Contribution.

(75) Self-Directed Investment Account : A self-directed investment account, as described in Section 5.1, that is an Investment Fund within the Trust.

(76) Spouse: The person to whom a Member is legally married at the specified time; provided, however, that a former Spouse may be treated as a Spouse or surviving Spouse to the extent required under the terms of a qualified domestic relations order (as defined in section 414(p) of the Code).

(77) Techalloy Plan : The Techalloy, Inc. Employee Savings Plan, as in effect immediately prior to its merger into the Plan effective as of April 25, 2022.

(78) Techalloy Prior Employer Contributions : Matching employer contributions and nonelective employer profit sharing contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) are not employed by The Lincoln Electric Company (as successor to Arc Products, Inc.) on April 25, 2022 and (B) were not employed by Arc Products, Inc. on December 31, 2019.

(79) Tennessee Rand Plan : The Tennessee Rand, Inc. 401(k) Plan, as in effect immediately prior to its merger into the Plan effective as of April 29, 2022.

(80) Tennessee Rand Prior Employer Contributions : Matching employer contributions and nonelective employer profit sharing contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) are not employed by Lincoln Electric Automation, Inc. (as successor to Tennessee Rand, Inc.) on April 29, 2022 and (B) were not employed by Tennessee Rand, Inc. on December 31, 2020.

(81) Transitional Contribution Participant : An Employee who has become and continues to be a Transitional Contribution Participant in accordance with the provisions of Article II. Transitional Contribution Participants described in Section 2.7(1)(b)(i) are also referred to herein as a “Transitional RAP Participants,” and Transitional Contribution Participants described in Section 2.7(1)(b)(ii) are also referred to herein as “Transitional Kaliburn Participants.”

(82) Transitional Employer Contributions : The contributions made pursuant to Section 4.8 of the Plan.

(83) Trust : The trust created by the Trust Agreement and known as The Lincoln Electric Company Savings Plan Trust.

(84) Trust Agreement : The Trust Agreement between the Company and the Trustee providing among other things for the Trust and the investment of the Trust Fund, as such Trust Agreement may be amended or restated from time to time, or any trust agreement superseding the same. The Trust Agreement is hereby incorporated in the Plan by reference.

(85) Trustee: The trustee or trustees under the Trust Agreement or its or their successor or successors in trust under such Trust Agreement.

(86) Trust Fund : The trust estate held by the Trustee under the provisions of the Plan and the Trust Agreement, without distinction as to principal or income.

(87) Valuation Date : Each day on which the New York Stock Exchange is open for trading.

(88) Vested Interest : The portion of a Member's Account that has not previously been withdrawn by him or distributed to or for him and that –

(a) is derived from his Before-Tax Contributions, Roth Contributions, Rollover Contributions, Prior ESOP Contributions, Qualified Nonelective Contributions, Nonelective Employer Contributions and Transitional Employer Contributions and nonforfeitable at all times;

(b) is derived from Matching Employer Contributions and (i) in the case of a Member employed by the Company, Welding, Cutting, Tools & Accessories, LLC, J.W. Harris Co., Inc., Smart Force, LLC, Lincoln Global, Inc., and Lincoln Electric Automation, Inc. (but in the case of Members employed by J.W. Harris Co., Inc., Smart Force, LLC or the Seal Seat Division of Lincoln Global, Inc., only with respect to Members who are Employees on or after August 1, 2017 or who were Covered Employees prior to August 1, 2017 under the provisions of the Plan then in effect) is 100% nonforfeitable at all times, or (ii) in the case of all other Members is (A) 0% nonforfeitable prior to the Member's completion of three Years of Vesting Service and (B) 100% nonforfeitable on and after the Member's completion of three Years of Vesting Service; and

(c) is derived from FSP Contributions and FSP Plus Contributions and is (i) 0% nonforfeitable prior to the Member's completion of three Years of Vesting Service and (ii) 100% nonforfeitable on and after the Member's completion of three Years of Vesting Service, provided, however, that in the case of a Member who was an Employee on January 1, 2017, the portion of such Member's Account that is derived from FSP Contributions and FSP Plus Contributions was 100% nonforfeitable on January 1, 2017.

Notwithstanding the foregoing, in the case of a Former Weartech Plan Participant who was an Employee on August 29, 2016, the portion of such Former Weartech Plan Participant's Account that is derived from Matching Employer Contributions shall be 20% nonforfeitable on and after completion of two Years of Vesting Service and 100% nonforfeitable on and after completion of three Years of Vesting Service. A Member whose Vested Interest is less than 100% nonforfeitable under the provisions of this Subsection shall nonetheless have a 100% nonforfeitable interest in his entire Account upon his attainment of age 60 while an Employee, upon his death while an Employee, upon

his death while performing “qualified military service” (as defined in Section 11.8) and upon his incurrance of a Disability while an Employee. Further notwithstanding the foregoing, but subject to Sections 6.3(7), 6.3(9), 6.3(10), 6.3(11) and 6.3(13), (A) in the case of a Former Weartech Plan Participant who was not an Employee on August 29, 2016, the portion of such Former Weartech Plan Participant’s Account that is derived from Weartech Prior Matching Contributions, (B) in the case of a Former Rimrock Plan Participant who was not employed by Rimrock Corporation on January 1, 2020, the portion of such Former Rimrock Plan Participant’s Account that is derived from Rimrock Prior Employer Contributions, (C) in the case of a Former Wolf Plan Participant who was not employed by Wolf Robotics, LLC on January 1, 2020, the portion of such Former Wolf Plan Participant’s Account that is derived from Wolf Prior Employer Contributions, (D) in the case of a Former Pro-Systems Plan Participant who (i) is not employed by Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC) on January 15, 2021, and (ii) was not employed by Pro-Systems, LLC on December 31, 2019, the portion of such Former Pro-Systems Plan Participant’s Account that is derived from Pro-Systems Prior Employer Contributions, and (E) in the case of a Former Tennessee Rand Plan Participant who (i) is not employed by Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, and (ii) was not employed by Tennessee Rand, Inc. on December 31, 2019, the portion of such Former Tennessee Rand Plan Participant’s Account that is derived from Tennessee Rand Prior Employer Contributions, shall be nonforfeitable in accordance with the following table based on his Years of Vesting Service at any particular time:

<u>Years of Vesting Service</u>	Percent of Weartech Prior Matching Contributions, Rimrock Prior Employer Contributions, Wolf Prior Employer Contributions, Pro-Systems Prior Employer Contributions or Tennessee Rand Prior Employer Contributions Nonforfeitable
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%

6 or more

100%

Further notwithstanding the foregoing, in the case of a Former Rimrock Plan Participant or Former Wolf Plan Participant who was not employed by Rimrock Corporation or Wolf Robotics, LLC, as applicable, on January 1, 2020, but again becomes an Employee employed by such entity after January 1, 2020 (or by Lincoln Electric Automation, Inc., the successor to such entities, on or after January 1, 2021), the portion of such Employee's Account that is derived from Rimrock Prior Employer Contributions or Wolf Prior Employer Contributions, and that has not previously become forfeited in accordance with Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by Rimrock Corporation or Wolf Robotics, LLC (or, on or after January 1, 2021, by Lincoln Electric Automation, Inc., the successor to such entities), as applicable. Further notwithstanding the foregoing, in the case of a Former Pro-Systems Plan Participant who (A) is not employed by Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC), on January 15, 2021 and (B) was not employed by Pro-Systems, LLC on December 31, 2019, but again becomes an Employee employed by such entity after January 15, 2021, the portion of such Employee's Account that is derived from Pro-Systems Prior Employer Contributions, and that has not previously become forfeited in accordance with Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by Lincoln Electric Automation, Inc. Further notwithstanding the foregoing, in the case of a Former Tennessee Rand Plan Participant who (A) is not employed by Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.), on April 29, 2022, and (B) was not employed by Tennessee Rand, Inc. on December 31, 2020, but again becomes an Employee employed by Lincoln Electric Automation, Inc. after April 29, 2022, the portion of such Employee's Account that is derived from Tennessee Rand Prior Employer Contributions, and that has not previously become forfeited

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in accordance with Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by Lincoln Electric Automation, Inc.

Further notwithstanding the foregoing, but subject to Section 6.3(8), in the case of a Former Harris Plan Participant who was not an Employee on August 1, 2017, the portion of such Former Harris Plan Participant's Account that is derived from Harris Prior Employer Contributions shall be 0% nonforfeitable prior to the Member's completion of three Years of Vesting Service and 100% nonforfeitable on and after the Member's completion of three Years of Vesting Service.

Further notwithstanding the foregoing, in the case of a Former Harris Plan Participant who was not an Employee on August 1, 2017, but again becomes an Employee employed by J.W. Harris Co., Inc. after August 1, 2017, the portion of such Employee's Account that is derived from Harris Prior Employer Contributions, and that has not previously become forfeited in accordance with Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by J.W. Harris Co., Inc.

Further notwithstanding the foregoing, but subject to Section 6.3(12), in the case of a Former Techalloy Plan Participant who (i) is not employed by The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, and (ii) was not employed by Arc Products, Inc. on December 31, 2019, the portion of such Former Techalloy Plan Participant's Account that is derived from Techalloy Prior Employer Contributions shall be 0% nonforfeitable prior to the Member's completion of three Years of Vesting Service and 100% nonforfeitable on and after the Member's completion of three Years of Vesting Service. Further notwithstanding the foregoing, in the case of a Former Techalloy Plan Participant who (A) is not employed by The Lincoln Electric Company (the successor to Arc Products, Inc.), on April 25, 2022, and (B) was not employed by Arc Products, Inc. on December 31, 2019, but again becomes an Employee employed

by The Lincoln Electric Company after April 25, 2022, the portion of such Employee's Account that is derived from Techalloy Prior Employer Contributions, and that has not previously become forfeited in accordance with Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by the Lincoln Electric Company.

Further notwithstanding the foregoing, but subject to Section 6.3(14), in the case of a Former Wayne Trail Plan Participant who (i) is not employed by Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022, and (ii) was not employed by Wayne Trail Technologies, Inc. on December 31, 2019, the portion of such Former Wayne Trail Plan Participant's Account that is derived from Wayne Trail Prior Employer Contributions shall be 0% nonforfeitable prior to the Member's completion of three Years of Vesting Service and 100% nonforfeitable on and after the Member's completion of three Years of Vesting Service. Further notwithstanding the foregoing, in the case of a Former Wayne Trail Plan Participant who (A) is not employed by Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.), on May 2, 2022, and (B) was not employed by Wayne Trail Technologies, Inc. on December 31, 2019, but again becomes an Employee employed by Lincoln Electric Automation, Inc. after May 2, 2022, the portion of such Employee's Account that is derived from Wayne Trail Prior Employer Contributions, and that has not previously become forfeited in accordance with Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by Lincoln Electric Automation, Inc.

Further notwithstanding the foregoing, in the case of a Member who was employed by Easom Automation Systems, Inc. on May 28, 2020, such Member's Account shall be 100% nonforfeitable as of such date, and in the case of a Member who was employed by Weartech International, Inc. on June 10, 2020, such Member's Account shall be 100% nonforfeitable as of such date.

(89) Vesting Service :

(a) An Employee's Vesting Service shall equal the total of his periods of employment with the Controlled Group beginning with his Employment Commencement Date or his Reemployment Commencement Date, if applicable, and ending on his next following Employment Severance Date, except that if an Employee whose Employment Severance occurs by reason of his resignation, retirement or discharge performs an Hour of Service for a Controlled Group Member during the 12 consecutive month period beginning on his Employment Severance Date, the period beginning on such Employment Severance Date and ending on the date on which he performs such Hour of Service shall be deemed to be employment with the Controlled Group; provided, however, that if such Employee's Employment Severance occurs by reason of his resignation, retirement or discharge during a period of absence referred to in Section 1.1(26)(b), the period beginning on his Employment Severance Date and ending on the date on which he performs such Hour of Service shall not be deemed to be employment with the Controlled Group unless such Hour of Service is performed within 12 months of the date on which such period of absence commenced.

(b) Notwithstanding the foregoing paragraph (a), (i) in the case of any Employee (other than a Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Techalloy Plan Participant or Former Tennessee Rand Plan Participant) who has a Break in Service and who does not have a nonforfeitable right to a benefit under the Plan, Years of Vesting Service before his Break in Service shall not be taken into account only if the number of his consecutive 1-Year Breaks in Service equals or exceeds the greater of five or the aggregate number of his Years of Vesting Service before his Break in Service; and such aggregate number of his Years of Vesting Service before his Break in Service shall not include any Years of Vesting Service not required to be taken into account under this paragraph by reason of any prior Break in Service, and (ii) an Employee shall not be credited with Vesting Service for any period after the termination of the Plan as to him.

(c) In determining the number of an Employee's Years of Vesting Service, all periods of his employment with the Controlled Group (whether or not consecutive) counted as Vesting Service pursuant to this Subsection shall (subject to the provisions of Sections

6.3 and 6.8) be aggregated on the basis that 365 days of such employment shall equal a Year of Vesting Service and that each additional 30 days of such employment shall equal one-twelfth of a Year of Vesting Service.

(d) Anything in the Plan to the contrary notwithstanding, an Employee shall be credited with such Vesting Service not otherwise credited to him under the Plan as may be required by applicable law.

(e) Further notwithstanding any other provision of the Plan to the contrary, (i) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Years of Vesting Service shall also include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an "Employee" (as defined in the Plan) on November 14, 2012; (ii) with respect to any Former Weartech Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Weartech Plan as of December 31, 2015 (excluding any service that is disregarded under the terms of the Weartech Plan) and (B) for the Plan Year commencing January 1, 2016, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (iii) with respect to any Former Harris Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Harris Plan immediately prior to August 1, 2017 (excluding any service that is disregarded under the terms of the Harris Plan); (iv) with respect to any Former Rimrock Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Rimrock Plan immediately prior to January 1, 2020 (including vesting service counted as part of the purchase of ABB divisions by Rimrock Holdings for those employees transitioned from ABB to Rimrock Automation as of July 23, 2003 and for those employees transitioned from ABB to Wolf Robotics as of November 16, 2003, but excluding any service that is disregarded under the terms of the Rimrock Plan); (v) with respect to any Former Wolf Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Wolf Plan immediately prior to January 1, 2020 (excluding any service that is disregarded under the terms of the Wolf Plan); (vi) with respect to any Former Pro-Systems Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Pro-Systems Plan immediately prior to January 15, 2021 (excluding any service that is disregarded under the terms of the Pro-Systems Plan) and

(B) for the Plan Year commencing January 1, 2021, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (vii) with respect to any Former Techalloy Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Techalloy Plan immediately prior to April 25, 2022 (including service with Central Wire credited for vesting purposes as provided under the terms of the Techalloy Plan, but excluding any service that is disregarded under the terms of the Techalloy Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (viii) with respect to any Former Tennessee Rand Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Tennessee Rand Plan immediately prior to April 29, 2022 (excluding any service that is disregarded under the terms of the Tennessee Rand Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); and (ix) with respect to any Former Wayne Trail Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Wayne Trail Plan immediately prior to May 2, 2022 (excluding any service that is disregarded under the terms of the Wayne Trail Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g);

(90) Wayne Trail Plan : The Wayne Trail Technologies 401(k) and Profit Sharing Plan, as in effect immediately prior to its merger into the Plan effective as of May 2, 2022.

(91) Wayne Trail Prior Employer Contributions : Matching employer contributions and nonelective employer contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) are not employed by Lincoln Electric Automation, Inc. (as successor to Wayne Trail Technologies, Inc.) on May 2, 2022 and (B) were not employed by Wayne Trail Technologies, Inc. on December 31, 2019.

(92) Weartech Plan: The Weartech International, Inc. 401(k) Plan, as in effect immediately prior to its merger into the Plan effective as of August 29, 2016.

(93) Weartech Prior Matching Contributions : Employer matching contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants who were not Employees on August 29, 2016.

(94) Wolf Plan : The Wolf Robotics, LLC 401(k) Retirement Savings Plan, as in effect immediately prior to its merger into the Plan effective as of the close of business on December 31, 2019.

(95) Wolf Prior Employer Contributions : Matching employer contributions and nonelective employer contributions, if any, made to the Wolf Plan on behalf of Former Wolf Plan Participants who were not employed by Wolf Robotics, LLC on January 1, 2020.

(96) Year of Eligibility Service : An Employee shall be credited with a Year of Eligibility Service when he is credited with at least 1,000 Hours of Service in the 12-month period beginning with the Employment Commencement Date and, if applicable, his Reemployment Commencement Date, either of which 12-month periods shall be the “Initial Eligibility Computation Period.” Whether or not an Employee is entitled to be credited with 1,000 Hours of Service during an Initial Eligibility Computation Period, such Employee shall be credited with a Year of Eligibility Service if he is credited with at least 1,000 Hours of Service during the Plan Year that includes the first anniversary of his Employment Commencement Date or Reemployment Commencement Date (whichever is applicable) or any Plan Year thereafter; provided, however, that an Employee who is credited with 1,000 Hours of Service in both the Initial Eligibility Computation Period and the Plan Year that includes the first anniversary of his Employment Commencement Date or Reemployment Commencement Date (whichever is applicable) shall be credited with two Years of Eligibility Service. For purposes of this Section, the term “Hour of Service” has the meaning set forth in Section 1.1(47)(b). Notwithstanding any other provision of the Plan to the contrary, (a) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Years of Eligibility Service shall also include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an “Employee” (as defined in the Plan) on November 14, 2012, (b) in the case of a Former Weartech Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Weartech Plan immediately prior to August 29, 2016, (c) in the case of a Former Harris Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Harris Plan immediately prior to August 1, 2017, (d) in the case of a Former Rimrock Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Rimrock Plan immediately prior to January 1, 2020, (e) in the case of a Former Wolf Plan Participant, Years of Eligibility Service shall include any service

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credited for eligibility purposes under the Wolf Plan immediately prior to January 1, 2020, (f) in the case of a Former Pro-Systems Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Pro-Systems Plan immediately prior to January 15, 2021, (g) in the case of a Former Techalloy Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Techalloy Plan immediately prior to April 25, 2022 (including service with Central Wire credited for eligibility purposes as provided under the terms of the Techalloy Plan), (h) in the case of a Former Tennessee Rand Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Tennessee Rand Plan immediately prior to April 29, 2022, and (i) in the case of a Former Wayne Trail Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Wayne Trail Plan immediately prior to May 2, 2022.

(97) Year of Vesting Service : As defined in Section 1.1(89).

1.2 **Construction** .

(1) Unless the context otherwise indicates, the masculine wherever used in the Plan or Trust Agreement shall include the feminine and neuter.

(2) Where headings have been supplied to portions of the Plan and the Trust Agreement (other than the headings to the Subsections in Section 1.1), they have been supplied for convenience only and are not to be taken as limiting or extending the meaning of any of such portions of such documents.

(3) Wherever the word “person” appears in the Plan, it shall refer to both natural and legal persons.

(4) A number of the provisions hereof and of the Trust Agreement are designed to contain provisions required or contemplated by certain federal laws and/or regulations thereunder. All such provisions herein and in the Trust Agreement are intended to have the meaning required or contemplated by such provisions of such law or regulations and shall be construed in accordance with valid regulations and valid published governmental rulings and interpretations of such provisions. In applying such provisions hereof or of the Trust Agreement, each Fiduciary may rely (and shall be protected in relying) on any determination or ruling made by any agency of the United States Government that has authority to issue regulations, rulings or determinations with respect to the federal law thus involved.

(5) Except to the extent federal law controls, the Plan and Trust Agreement shall be governed, construed and administered according to the laws of the State of Ohio. All persons accepting or claiming benefits under the Plan or Trust Agreement shall be bound by and deemed to consent to their provisions.

(6) This amendment and restatement of the Plan is generally effective as of April 25, 2022. However, certain provisions of this amendment and restatement of the Plan are effective as of some other date. The provisions of this amendment and restatement of the Plan that are effective prior to April 25, 2022, if any, shall be deemed to amend the corresponding provisions of the Plan as in effect before this amendment and restatement and all amendments thereto. Events occurring before the applicable effective date of any provision of this amendment and restatement of the Plan shall be governed by the applicable provision of the Plan in effect on the date of the event.

(7) The benefits payable with respect to an Employee or former Employee whose employment with the Controlled Group terminated, including by reason of death, before April 25, 2022 (and who is not rehired by a Controlled Group Member thereafter) shall be determined by and paid in accordance with the terms and provisions of the Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan, as amended and restated as of April 25, 2022, apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(8) The benefits payable to a Former Harris Plan Participant under the Harris Plan whose employment with the Controlled Group terminated, including by reason of death, before August 1, 2017 (and who is not rehired by a Controlled Group Member on or after August 1, 2017) shall be determined by and paid in accordance with the terms and provisions of the Harris Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(9) The benefits payable to a Former Rimrock Plan Participant under the Rimrock Plan whose employment with the Controlled Group terminated, including by reason of death, before January 1, 2020 (and who is not rehired by a Controlled Group Member on or after January 1, 2020) shall be determined by and paid in accordance with the terms and provisions of the Rimrock Plan as in effect at the date of such termination, except to the extent that certain provisions of the

Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(10) The benefits payable to a Former Wolf Plan Participant under the Wolf Plan whose employment with the Controlled Group terminated, including by reason of death, before January 1, 2020 (and who is not rehired by a Controlled Group Member on or after January 1, 2020) shall be determined by and paid in accordance with the terms and provisions of the Wolf Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(11) The benefits payable to a Former Pro-Systems Plan Participant under the Pro-Systems Plan whose employment with the Controlled Group terminated, including by reason of death, before January 15, 2021 (and who is not rehired by a Controlled Group Member on or after January 15, 2021) shall be determined by and paid in accordance with the terms and provisions of the Pro-Systems Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(12) The benefits payable to a Former Techalloy Plan Participant under the Techalloy Plan whose employment with the Controlled Group terminated, including by reason of death, before April 25, 2022 (and who is not rehired by a Controlled Group Member on or after April 25, 2022) shall be determined by and paid in accordance with the terms and provisions of the Techalloy Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(13) The benefits payable to a Former Tennessee Rand Plan Participant under the Tennessee Rand Plan whose employment with the Controlled Group terminated, including by reason of death, before April 29, 2022 (and who is not rehired by a Controlled Group Member on or after April 29, 2022) shall be determined by and paid in accordance with the terms and provisions of the Tennessee Rand Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

(14) The benefits payable to a Former Wayne Trail Plan Participant under the Wayne Trail Plan whose employment with the Controlled Group terminated, including by reason of death, before May 2, 2022 (and who is not rehired by a Controlled Group Member on or after May 2, 2022) shall be determined by and paid in accordance with the terms and provisions of the Wayne Trail Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.

ARTICLE II - ELIGIBILITY AND MEMBERSHIP

2.1 **Eligible Employees** . Each Covered Employee who is an Eligible Employee under the Plan on April 25, 2022 shall continue to be an Eligible Employee under the Plan after April 25, 2022 so long as he remains a Covered Employee. Each other Employee who is classified by an Employer as a regular, full-time Employee shall become an Eligible Employee under the Plan on the first Enrollment Date on which he is a Covered Employee. Each other Employee who is not classified by an Employer as a regular, full-time Employee shall become an Eligible Employee under the Plan on the first Enrollment Date on which he meets the following requirements:

- (1) he is a Covered Employee, and
- (2) he has been credited with one Year of Eligibility Service.

Notwithstanding the preceding provisions of this Section, the terms and provisions of the Plan in effect prior to April 25, 2022 contained special eligibility rules for certain classes of Eligible Employees. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming an Eligible Employee on July 1, 2019, the requirement of Subsection (2) of this Section was waived in the case of a Covered Employee who was employed by Baker Industries, Inc. on July 1, 2019. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming an Eligible Employee on January 1, 2020, the requirement of Subsection (2) of this Section was waived in the case of a Covered Employee who, as of December 31, 2019, (a) was employed by Wayne Trail Technologies, Inc. and had satisfied the age and service eligibility requirements to participate in the Wayne Trail Plan, (b) was employed by Coldwater Machine Company, LLC and had satisfied the age and service eligibility requirements to participate in the Coldwater Machine Company, LLC 401(k) Plan, (c) was employed by Pro-Systems, LLC and had satisfied the age and service eligibility requirements to participate in the Pro-Systems Plan, (d) was employed by Arc Products, Inc. and had satisfied the age and service eligibility requirements to participate in the Techalloy Plan, (e) was employed by Wolf Robotics, LLC and had satisfied the age and service eligibility requirements to participate in the Wolf Plan, or (f) was employed by Rimrock Corporation and had satisfied the age and service eligibility requirements to participate in the Rimrock Plan. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming an Eligible Employee on January 1, 2021, the requirement of Subsection (2) of this Section was waived in the case of a Covered Employee who, as of December 31, 2020,

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was employed by Tennessee Rand, Inc. and had satisfied the age and service eligibility requirements to participate in the Tennessee Rand Plan. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming an Eligible Employee on August 1, 2021, the requirement of Subsection (2) of this Section was waived in the case of a Covered Employee who was employed by Overstreet-Hughes Co., Inc. immediately prior to becoming an employee of J.W. Harris Co., Inc. on July 28, 2021. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming an Eligible Employee on January 1, 2022, the requirement of Subsection (2) of this Section is waived in the case of a Covered Employee who was employed by Shoals Tubular, Inc. immediately prior to becoming an employee of J.W. Harris Co., Inc. on January 1, 2022.

2.2 **Commencement of Membership**

(1) Any Eligible Employee may enroll in the Plan for purposes of having his Employer make Before-Tax Contributions and/or Roth Contributions for him to the Trust on the Enrollment Date on which he is initially eligible or on any subsequent Enrollment Date by filing with the Administrative Committee at least 30 days (or such shorter period as the Committee shall determine) before such Date an enrollment form prescribed by the Committee, which form shall include (a) the desired effective date of the Eligible Employee's enrollment in the Plan, (b) his agreement commencing on or after the effective date to have his Employer make Before-Tax Contributions and/or Roth Contributions for him to the Trust, (c) his authorization to his Employer to withhold from his Compensation payable on or after such effective date, any designated Before-Tax Contributions and/or Roth Contributions and to pay the same to the Trust, and (d) his direction that the Before-Tax Contributions, Roth Contributions and Employer Contributions, if any, made by or for him be invested (to the extent permitted under the Plan) in any one of the investment options permitted by Section 5.5. Notwithstanding the preceding provisions of this Section, the terms and provisions of the Plan in effect prior to April 25, 2022 contained special membership rules for certain classes of Eligible Employees.

(2) The following Employees shall be deemed to have enrolled as a Member for purposes of having his Employer make Before-Tax Contributions from his Base Compensation to the Trust pursuant to an Automatic Salary Reduction Agreement in accordance with the provisions of Section 2.3:

(a) each Employee of The Lincoln Electric Company who is an Eligible Employee pursuant to Section 2.1 on a date in December 2011 designated by the Administrative Committee, and who as of such date does not have an affirmative election in effect under the Plan to have Before-Tax Contributions withdrawn from his Base Compensation and contributed to the Plan on his behalf;

(b) each Employee of The Lincoln Electric Company who becomes (or again becomes) an Eligible Employee on or after January 1, 2012, including by reason of (i) a rehire, (ii) a transfer from non-covered employment with a Controlled Group Member other than The Lincoln Electric Company to employment with The Lincoln Electric Company or (iii) a consolidation or merger of the Employee's employer with and into The Lincoln Electric Company; and

(c) each Eligible Employee who becomes (or again becomes) an Employee of The Lincoln Electric Company on or after April 25, 2022, including by reason of (i) a transfer from covered employment with a Controlled Group Member other than The Lincoln Electric Company to employment with The Lincoln Electric Company or (ii) a consolidation or merger of the Employee's employer with and into The Lincoln Electric Company; provided the Employee does not have an affirmative election in effect under the Plan to have Before-Tax Contributions and/or Roth Contributions withdrawn from his Base Compensation and contributed to the Plan on his behalf.

An Eligible Employee who is deemed to have enrolled pursuant to this Section 2.2(2) and Section 2.3 for purposes of having his Employer make Before-Tax Contributions from his Base Compensation may separately elect (but shall not be deemed to have elected) to enroll pursuant to Section 2.2(1) for purposes of having his Employer make Before-Tax Contributions and/or Roth Contributions from his Bonus Compensation.

(3) Notwithstanding the preceding provisions of this Section, an Eligible Employee who is not enrolled in the Plan as provided in Subsection (1) or Subsection (2) shall be eligible to have Qualified Nonelective Contributions, if any, made on his behalf and shall become a Member, if he is not otherwise a Member under the Plan, on the Enrollment Date on which he is initially eligible pursuant to Section 2.1.

(4) A Former Rimrock Plan Participant or Former Wolf Plan Participant who had an account under the Rimrock Plan or Wolf Plan immediately prior to the effective time of the merger

of the Rimrock Plan and the Wolf Plan into this Plan but does not become a Member pursuant to Subsection (1), shall become a Member on January 1, 2020 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).

(5) A Former Pro-Systems Plan Participant who had an account under the Pro-Systems Plan immediately prior to the effective time of the merger of the Pro-Systems Plan into this Plan but did not become a Member pursuant to Subsection (1), shall become a Member on January 15, 2021 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).

(6) A Former Techalloy Plan Participant who had an account under the Techalloy Plan immediately prior to the effective time of the merger of the Techalloy Plan into this Plan but did not become a Member pursuant to Subsection (1), shall become a Member on April 25, 2022 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).

(7) A Former Tennessee Rand Plan Participant who had an account under the Tennessee Rand Plan immediately prior to the effective time of the merger of the Tennessee Rand Plan into this Plan but did not become a Member pursuant to Subsection (1), shall become a Member on April 29, 2022 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).

(8) A Former Wayne Trail Plan Participant who had an account under the Wayne Trail Plan immediately prior to the effective time of the merger of the Wayne Trail Plan into this Plan but did not become a Member pursuant to Subsection (1), shall become a Member on May 2, 2022 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).

2.3 **Enrollment Pursuant to an Automatic Salary Reduction Agreement**

(1) The effective date of an Eligible Employee's enrollment pursuant to an Automatic Salary Reduction Agreement as provided Section 2.2(2) shall be the first Enrollment Date that is

as soon as administratively practicable after the end of the election period specified in the notice described in Section 2.3(2). Notwithstanding any other provision of this Article II to the contrary, an Automatic Salary Reduction Agreement shall not become effective for any Eligible Employee who, within the election period specified in the notice described in Section 2.3(2) and in accordance with the procedures established by the Administrative Committee, enters into a Salary Reduction Agreement with respect to his Base Compensation or makes an election not to have Before-Tax Contributions contributed to the Trust on his behalf with respect to his Base Compensation.

(2) At least 30 days (and not more than 90 days) before (a) the effective date of an Eligible Employee's enrollment pursuant to an Automatic Salary Reduction Agreement and (b) the first day of each Plan Year (or at such other time or times as is required or permitted under applicable law), the Administrative Committee (or its delegate) shall provide each Employee of The Lincoln Electric Company, who is (or will become) an Eligible Employee, notice of his deemed enrollment pursuant to Sections 2.2(2) and 2.3(1), which notification shall include the following: (i) the percentage of Before-Tax Contributions that will be made on his behalf under Section 3.1 with respect to his Base Compensation if an Automatic Salary Reduction Agreement goes into effect, (ii) his right to reject such deemed enrollment and enter into a Salary Reduction Agreement with respect to his Base Compensation within the period specified in the notice or to elect within the period specified in the notice not to have Before-Tax Contributions made on his behalf with respect to his Base Compensation, (iii) the Investment Fund in which such Before-Tax Contributions shall be invested in the absence of any investment election (which Investment Fund shall be a "qualified default investment alternative" within the meaning of Department of Labor regulations), and (iv) such other information as may be required by applicable law.

2.4 Duration of Membership . An Employee shall cease to be an Eligible Employee when he ceases to be a Covered Employee. An Employee shall cease to be a Nonelective Contribution Participant upon the date he ceases to be a Covered Employee who is described in Section 2.6(1).

An Employee shall cease to be a Transitional Contribution Participant upon the date described in Section 2.7(2). An Employee shall cease to be a Matching Contribution Participant when he ceases to be a Covered Employee. An Employee shall cease to be a Member when he ceases to be an Eligible Employee, a Nonelective Contribution Participant, a Transitional Contribution Participant

and a Matching Contribution Participant, provided, however, that if after he ceases to be an Eligible Employee, a Nonelective Contribution Participant, a Transitional Contribution Participant and a Matching Contribution Participant, an Account continues to be maintained for him, he shall (subject to Section 13.1) remain a Member for all purposes of the Plan other than for purposes of making, or having his Employer make Before-Tax, Roth, Rollover or Employer Contributions.

2.5 **Matching Contribution Participation** .

(1) Effective as of January 1, 2019, an Employee shall be eligible to become a Matching Contribution Participant under this Plan on the first Enrollment Date on which he meets the following requirements:

- (a) he is a Covered Employee, and
- (b) he has been in Employment for at least six consecutive months, or has been credited with one Year of Eligibility Service.

Notwithstanding the preceding provisions of this Section, the terms and provisions of the Plan in effect prior to April 25, 2022 contained special eligibility rules for certain classes of Eligible Employees for purposes of becoming a Matching Contribution Participant. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Matching Contribution Participant on July 1, 2019, the requirements of Subsection (1)(b) of this Section were waived in the case of a Covered Employee who was employed by Baker Industries, Inc. on April 1, 2019. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Matching Contribution Participant on January 1, 2020, the requirements of Subsection (1)(b) of this Section were waived in the case of a Covered Employee who, as of December 31, 2019, (i) was employed as a regular, full-time employee of Wayne Trail Technologies, Inc., Coldwater Machine Company, LLC, Pro-Systems, LLC, Arc Products, Inc., Wolf Robotics, LLC, or Rimrock Corporation, or (ii) was not a regular, full-time employee and (A) was employed by Wayne Trail Technologies, Inc. and had satisfied the age and service eligibility requirements to participate in the Wayne Trail Plan, (B) was employed by Coldwater Machine Company, LLC and had satisfied the age and service eligibility requirements to participate in the Coldwater Machine Company, LLC 401(k) Plan, (C) was employed by Pro-Systems, LLC and had satisfied the age and service eligibility requirements to participate in the Pro-Systems Plan, (D) was employed by Arc Products, Inc. and had satisfied the age and service eligibility requirements to participate in

the Techalloy Plan, (E) was employed by Wolf Robotics, LLC and had satisfied the age and service eligibility requirements to participate in the Wolf Plan, or (F) was employed by Rimrock Corporation and had satisfied the age and service eligibility requirements to participate in the Rimrock Plan. Further notwithstanding the preceding provisions of this Section, for purposes of becoming a Matching Contribution Participant on January 1, 2021, the requirements of Subsection (1)(b) of this Section were waived in the case of a Covered Employee who, as of December 31, 2020, (i) was employed as a regular, full-time employee of Tennessee Rand, Inc., or (ii) was not a regular, full-time employee and was employed by Tennessee Rand, Inc. and had satisfied the age and service eligibility requirements to participate in the Tennessee Rand Plan. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Matching Contribution Participant on August 1, 2021, the requirements of Subsection (1)(b) of this Section shall be waived in the case of a Covered Employee who was employed by Overstreet-Hughes Co., Inc. immediately prior to becoming an employee of J.W. Harris Co., Inc. on July 28, 2021. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Matching Contribution Participant on January 1, 2022, the requirements of Subsection (1)(b) of this Section shall be waived in the case of a Covered Employee who was employed by Shoals Tubular, Inc. immediately prior to becoming an employee of J.W. Harris Co., Inc. on January 1, 2022.

(2) A Covered Employee shall be treated as a Matching Contribution Participant only for those periods of time during which he is a Matching Contribution Participant described in Subsection (1).

2.6 **Nonelective Contribution Participation** .

(1) An Employee shall be eligible to become a Nonelective Contribution Participant under this Plan if he meets the following requirements:

(a) he is a Covered Employee who is employed by the Company, Welding, Cutting, Tools & Accessories, LLC, J.W. Harris Co., Inc., Smart Force, LLC and Lincoln Global, Inc., and

(b) he has been in Employment for at least six consecutive months, or has been credited with one Year of Eligibility Service.

Notwithstanding the preceding provisions of this Section, for purposes of becoming a Nonelective Contribution Participant on July 1, 2019, the requirements of Subsection (1)(b) of this Section

were waived in the case of a Covered Employee who was employed by Baker Industries, Inc. on April 1, 2019. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Nonelective Contribution Participant on January 1, 2020, the requirements of Subsection (1)(b) of this Section were waived in the case of a Covered Employee who, as of December 31, 2019, (i) was employed as a regular, full-time employee of Arc Products, Inc. or (ii) was not a regular, full-time employee, but was employed by Arc Products, Inc. and had satisfied the age and service eligibility requirements to participate in the Techalloy Plan. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Nonelective Contribution Participant on August 1, 2021, the requirements of Subsection (1)(b) of this Section shall be waived in the case of a Covered Employee who was employed by Overstreet-Hughes Co., Inc. immediately prior to becoming an employee of J.W. Harris Co., Inc. on July 28, 2021. Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Nonelective Contribution Participant on January 1, 2022, the requirements of Subsection (1)(b) of this Section shall be waived in the case of a Covered Employee who was employed by Shoals Tubular, Inc. immediately prior to becoming an employee of J.W. Harris Co., Inc. on January 1, 2022.

(2) An Employee who satisfies the requirements of Subsection (1) of this Section shall become a Nonelective Contribution Participant and a Member (if he is not otherwise a Member under the Plan) as of the first Enrollment Date on which he satisfies the requirements of Subsection (1) of this Section.

(3) A Covered Employee shall be treated as a Nonelective Contribution Participant only for those periods of time during which he is a Nonelective Contribution Participant described in Subsection (1).

2.7 **Transitional Contribution Participation** .

(1) Only an Employee who met the following requirements shall be classified as a Transitional Contribution Participant under this Plan:

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

(b) either (i) immediately prior to the freeze of all benefit accruals under the Retirement Annuity Program effective as of December 31, 2016, he was a “covered

employee” and “participant” under the Retirement Annuity Program (as such terms were then defined under the Retirement Annuity Program) and eligible to accrue a benefit thereunder or (ii) he was an FSP Plus Participant employed by Kaliburn, Inc. on December 31, 2016 whose Years of Vesting Service under the Plan includes periods of service with ITT Corporation or its predecessors prior to January 1, 2006.

(2) An Employee shall cease to be a Transitional Contribution Participant under the Plan on the earliest of (a) his Employment Severance Date, (b) the date he first ceases to be a Covered Employee, or (c) the later of (i) the end of the Plan Year that includes the date on which he completes 30 Years of Vesting Service, or (ii) the close of business on December 31, 2021.

2.8 **Re-Employed Employees** .

(1) **Before-Tax Contributions and/or Roth Contributions.** If a former Eligible Employee again becomes an Eligible Employee, he may again enroll as provided in Section 2.2(1) on the first Enrollment Date following the date he so again becomes an Eligible Employee by filing with the Administrative Committee at least 30 days (or such shorter period as the Committee shall determine) before such Enrollment Date an enrollment form prescribed in Section 2.2(1). A former Eligible Employee who again becomes an Eligible Employee and is employed by The Lincoln Electric Company but has not enrolled for purposes of having his Employer make Before-Tax Contributions and/or Roth Contributions with respect to his Base Compensation pursuant to the preceding sentence shall be deemed to have enrolled pursuant to Section 2.2(2) and Section 2.3. A former Employee who is not a former Eligible Employee may enroll as provided in Section 2.2(1) on the first Enrollment Date following the date he becomes an Eligible Employee pursuant to Section 2.1, or if he is employed by The Lincoln Electric Company and does not enroll for purposes of having his Employer make Before-Tax Contributions and/or Roth Contributions with respect to Base Compensation, he shall be deemed to have enrolled pursuant to Section 2.2(2) and Section 2.3.

(2) **Matching Employer Contributions.** A former Matching Contribution Participant who is reemployed as an Employee shall again become a Matching Contribution Participant upon satisfaction of the requirements of Subsection (1)(a) of Section 2.5.

(3) **Nonelective Employer Contributions.** A former Nonelective Contribution Participant who is reemployed as an Employee shall again become a Nonelective Contribution

Participant and a Member (if he is not otherwise a Member under the Plan) upon satisfaction of the requirements of Subsection (1)(a) of Section 2.6.

(4) Transitional Employer Contributions. A former Transitional Contribution Participant who is reemployed as an Employee shall not be eligible to again become a Transitional Contribution Participant.

2.9 Transferred Employees .

(1) Before-Tax Contributions and/or Roth Contributions. An Employee who transfers from non-covered employment with the Controlled Group to employment as a Covered Employee shall become an Eligible Employee under the Plan on the first Enrollment Date on which he is a Covered Employee.

(2) Matching Employer Contributions. An Employee who transfers from non-covered employment with the Controlled Group to employment as a Covered Employee shall become a Matching Contribution Participant upon satisfaction of the requirements of Section 2.5(1).

(3) Nonelective Employer Contributions. An Employee who transfers from non-covered employment with the Controlled Group to employment as a Covered Employee shall become a Nonelective Contribution Participant and a Member (if he is not otherwise a Member under the Plan) upon satisfaction of the requirements of Section 2.6(1).

(4) Transitional Employer Contributions. An Employee who transfers from non-covered employment with the Controlled Group to employment as a Covered Employee after January 1, 2017 shall not be eligible to become a Transitional Contribution Participant.

ARTICLE III -BEFORE-TAX, ROTH AND ROLLOVER CONTRIBUTIONS

3.1 Amount of Contributions .

(1) Upon enrollment pursuant to Section 2.2(1), a Member shall agree pursuant to a Salary Reduction Agreement to have his Employer make Before-Tax Contributions and/or Roth Contributions for him to the Trust of a specified percentage of between 1% and 80% of his Compensation in 1% increments through equal percentage pay period reductions with respect to his Base Compensation and through payroll deduction with respect to his Bonus Compensation. Unless otherwise provided pursuant to procedures established by the Administrative Committee for a specified group or groups of Members, the percentage elected by a Member pursuant to this Subsection shall apply to the Member's Base and Bonus Compensation. If the Administrative Committee establishes procedures that provide for a specified group of Members to make separate Before-Tax and Roth Contribution elections with respect their Base Compensation and their Bonus Compensation, the Committee may permit such Members to elect to contribute a whole dollar amount, rather than a specified percentage, with respect to their Bonus Compensation.

(2) Upon enrollment pursuant to Sections 2.2(2) and 2.3, a Member shall be deemed to have elected pursuant to an Automatic Salary Reduction Agreement to have his Employer make Before-Tax Contributions for him to the Trust in an amount equal to 4% of his Base Compensation through equal percentage pay period reductions.

(3) If a Member's Before-Tax Contributions or Roth Contributions must be reduced pursuant to Sections 3.5 through 3.8 or the requirements of applicable law, his Before-Tax Contributions and Roth Contributions as so reduced shall be the maximum percentage of his Compensation permitted by such Sections or law notwithstanding the foregoing provisions of this Section requiring that Before-Tax Contributions and Roth Contributions be made in specified increments of his Compensation. In furtherance of the foregoing, and notwithstanding any provision of the Plan to the contrary, in the event a Member has elected to make both Before-Tax Contributions and Roth Contributions and it is determined that in a particular pay period the Member's Before-Tax Contributions and Roth Contributions during a taxable year will reach the maximum amount applicable under Section 3.5(1) or any other maximum amount applicable under the Plan, the Member's election with respect to Before-Tax Contributions will be applied first (up to such maximum amount) and, if applicable, the Member's election with respect to Roth

Contributions will be applied second (up to such maximum amount), subject to any alternative procedure as may be adopted by the Administrative Committee from time to time.

3.2 **Payments to Trustee**. Before-Tax Contributions and Roth Contributions shall be transmitted to the Trustee as soon as practicable, but in any event not later than the 15th business day of the month following the month in which such Contributions would otherwise have been paid to the Members.

3.3 **Changes in Contributions** . The percentage designated, or deemed to have been designated, by a Member pursuant to Section 3.1 shall continue in effect, notwithstanding any changes in the Member's Compensation. A Member may, however, in accordance with the percentages permitted by Section 3.1, change the percentage of his Compensation to be made as Before-Tax Contributions and/or Roth Contributions effective as soon as practicable after such prior written notice of the change is filed with the Administrative Committee as the Committee may require. In addition, a Member may, in accordance with the percentages permitted by Section 3.1, and in accordance with procedures established by the Administrative Committee, elect to have the percentage of his Compensation to be made as Before-Tax Contributions and/or Roth Contributions in the future automatically increased annually on a date and in an amount as specified by the Member in such election. Such automatic increase election shall remain in effect until canceled by the Member in accordance with procedures established by the Administrative Committee. In the case of any Member for whom the Administrative Committee has provided pursuant to Section 3.1(1) for a separate election to reduce the Member's Bonus Compensation, for each payment of Bonus Compensation the Member shall make an election with respect to the percentage, or amount, if any, of each such payment to be made as Before-Tax Contributions and/or Roth Contributions effective as soon as practicable after such prior written notice is filed with the Administrative Committee as the Committee may require.

3.4 **Suspension and Resumption of Contributions** . A Member may suspend his Before-Tax Contributions and/or Roth Contributions effective as of any future date upon such prior written notice filed with the Administrative Committee as the Committee may require. A Member who has suspended his Before-Tax Contributions and/or Roth Contributions may, upon such prior written notice filed with the Administrative Committee as the Committee may require,

resume making such Before-Tax Contributions and/or Roth Contributions as of any Enrollment Date if he is then an Eligible Employee and he has again enrolled pursuant to Sections 2.2(1) and 3.1.

3.5 **Excess Deferrals** .

(1) Notwithstanding the foregoing provisions of this Article III, a Member's Before-Tax Contributions and Roth Contributions for any taxable year of such Member shall not exceed the limitation in effect under section 402(g) of the Code (except to the extent permitted under the Catch-Up Contribution provisions set forth in Section 3.11 and section 414(v) of the Code). Except as otherwise provided in this Section, a Member's Before-Tax Contributions and Roth Contributions for purposes of this Section shall include (a) any employer contribution made under any qualified cash or deferred arrangement as defined in section 401(k) of the Code to the extent not includible in gross income for the taxable year under section 402(e)(3) of the Code, or to the extent includible in gross income for the taxable year under section 402A of the Code (determined without regard to section 402(g) of the Code), (b) any employer contribution to the extent not includible in gross income for the taxable year under section 402(h)(1)(B) of the Code (determined without regard to section 402(g) of the Code), (c) any employer contribution to purchase an annuity contract under section 403(b) of the Code under a salary reduction agreement within the meaning of section 3121(A)(5)(D) of the Code, and (d) any elective contributions under section 408(p)(2)(A)(i) of the Code.

(2) In the event that a Member's Before-Tax Contributions and Roth Contributions exceed the amount described in Subsection (1) of this Section (hereinafter called the "excess deferrals"), such excess deferrals (and any income allocable thereto through the end of the Plan Year in which such excess deferrals were made) shall be distributed to the Member by April 15 following the close of the taxable year in which such excess deferrals occurred if (and only if), by April 15 following the close of such taxable year the Member (a) allocates the amount of such excess deferrals among the plans under which the excess deferrals were made and (b) notifies the Administrative Committee of the portion allocated to this Plan. In the event both Before-Tax Contributions and Roth Contributions were made on behalf of a Member for the taxable year to which the excess relates, any excess Before-Tax Contributions will be returned to the Member

first, subject to any alternative procedure as may be adopted by the Administrative Committee from time to time.

(3) In the event that a Member's Before-Tax Contributions and Roth Contributions under this Plan exceed the amount described in Subsection (1) of this Section, or in the event that a Member's Before-Tax Contributions and Roth Contributions made under this Plan do not exceed such amount but he allocates a portion of his excess deferrals to his Before-Tax Contributions and Roth Contributions made to this Plan, Matching Employer Contributions, if any, made with respect to such Before-Tax Contributions and Roth Contributions (and any income applicable thereto) shall be applied to reduce subsequent Matching Employer Contributions made under the Plan.

3.6 **Excess Before-Tax Contributions** .

(1) Notwithstanding the foregoing provisions of this Article III, for any Plan Year,

(a) the actual deferral percentage (as defined in Subsection (2) of this Section) for the group of Highly Compensated Eligible Employees (as defined in Subsection (3) of this Section) for such Plan Year shall not exceed the actual deferral percentage for all other Eligible Employees for such Plan Year multiplied by 1.25, or

(b) the excess of the actual deferral percentage for the group of Highly Compensated Eligible Employees for such Plan Year over the actual deferral percentage for all other Eligible Employees for such Plan Year shall not exceed 2 percentage points, and the actual deferral percentage for the group of Highly Compensated Eligible Employees for such Plan Year shall not exceed the actual deferral percentage for all other Eligible Employees for such Plan Year multiplied by 2.

If two or more plans that include cash or deferred arrangements are considered as one plan for purposes of section 401(a)(4) or 410(b) of the Code, such arrangements included in such plans shall be treated as one arrangement for the purposes of this Subsection; and if any Highly Compensated Eligible Employee is a participant under two or more cash or deferred arrangements of the Controlled Group, all such arrangements shall be treated as one cash or deferred arrangement for purposes of determining the deferral percentage with respect to such Eligible Employee, and in the event that such arrangements have different plan years, all Before-Tax Contributions and Roth Contributions made during the Plan Year under all such arrangements shall be aggregated. Notwithstanding the foregoing, cash or deferred arrangements that are not permitted to be

aggregated under Treasury Regulations issued under section 401(k) of the Code shall be treated as separate arrangements.

(2) For the purposes of this Section, the actual deferral percentage for a specified group of Eligible Employees for a Plan Year shall be the average of the ratios (calculated separately for each Eligible Employee in such group) of (a) the amount of Before-Tax Contributions and Roth Contributions and, at the election of an Employer, any Qualified Nonelective Contributions, actually paid to the Trust for each such Eligible Employee for such Plan Year (including any “excess deferrals” described in Section 3.5) to (b) the Eligible Employee’s compensation for such Plan Year.

For purposes of this Subsection (2), the term “compensation” shall mean an Eligible Employee’s compensation under Section 4.11(3). Notwithstanding the foregoing, for purposes of this Subsection (2), Qualified Nonelective Contributions shall not be taken into account for a Plan Year for any Eligible Employee who is not a Highly Compensated Employee to the extent such Contributions exceed the product of such Eligible Employee’s compensation and the greater of 5% or two times the Plan’s “representative contribution rate” (as defined in Treasury Regulation Section 1.401(k)-2(a)(6)(iv)(B)).

(3) For the purposes of this Section, the term “Highly Compensated Eligible Employee” for a particular Plan Year shall mean any Highly Compensated Employee who is an Eligible Employee.

(4) In the event that excess contributions (as such term is hereinafter defined) are made to the Trust for any Plan Year, then, within the time prescribed by applicable law, such excess contributions (and any income allocable thereto through the end of the Plan Year in which such excess contributions were made) shall be distributed to the Highly Compensated Eligible Employees on the basis of the respective portions of the excess contributions attributable to each such Highly Compensated Eligible Employee in order of the dollar amount of Before-Tax Contributions and Roth Contributions made by or on behalf of such Highly Compensated Eligible Employee beginning with the Highly Compensated Eligible Employee with the highest dollar amount of Before-Tax Contributions and Roth Contributions. For the purposes of this Subsection (4), the term “excess contributions” shall mean, for any Plan year, the excess of (a) the aggregate amount of Before-Tax Contributions and Roth Contributions actually paid to the Trust on behalf of Highly Compensated Eligible Employees for such Plan Year over (b) the maximum amount of such Before-Tax Contributions and Roth Contributions permitted for such Plan Year under

Subsection (1) of this Section, determined by hypothetically reducing Before-Tax Contributions and Roth Contributions made on behalf of Highly Compensated Eligible Employees in order of their actual deferral percentages (as defined in Section 3.6(2)) beginning with the highest of such percentages. In the event both Before-Tax Contributions and Roth Contributions were made on behalf of a Member for the Plan Year in which the excess arose, any excess Before-Tax Contributions will be returned to the Member first, subject to any alternative procedure as may be adopted by the Administrative Committee from time to time.

(5) Matching Employer Contributions, if any, made with respect to a Member's excess contributions (and any income allocable thereto) shall be applied to reduce subsequent Matching Employer Contributions made under the Plan.

3.7 **Excess Matching Employer Contributions.**

(1) Notwithstanding the foregoing provisions of this Article III or the provisions of Article IV, for any Plan Year the contribution percentage (as defined in Subsection (2) of this Section) for the group of Highly Compensated Eligible Employees (as defined in Section 3.6(3)) for such Plan Year shall not exceed the greater of (a) 125 percent of the contribution percentage for all other Eligible Employees or (b) the lesser of 200 percent of the contribution percentage for all other Eligible Employees, or the contribution percentage for all other Eligible Employees plus 2 percentage points. If two or more plans of the Controlled Group to which matching contributions, Employee after-tax contributions, Roth Contributions or Before-Tax Contributions (as defined in Section 3.5(1)) are made are treated as one plan for purposes of section 410(b) of the Code, such plans shall be treated as one plan for purposes of this Subsection (1); and if a Highly Compensated Eligible Employee participates in two or more plans of the Controlled Group to which such contributions are made, all such contributions shall be aggregated for purposes of this Subsection (1) and, in the event that such plans have different plan years, all such contributions made during the Plan Year under all such plans shall be aggregated. Notwithstanding the foregoing, plans that are not permitted to be aggregated under Treasury Regulations issued under section 401(m) of the Code shall be treated as separate plans.

(2) For the purposes of this Section, the contribution percentage for a specified group of Eligible Employees for a Plan Year shall be the average of the ratios (calculated separately for each Eligible Employee in such group) of (a) the sum of the Matching Employer Contributions

and, at the election of an Employer, any Before-Tax Contributions, Roth Contributions or Qualified Nonelective Contributions paid under the Plan by or on behalf of each such Eligible Employee for such Plan Year and not taken into account for such Plan Year under Section 3.6(2), to (b) the Eligible Employee's compensation (as defined in Section 3.6(2)) for such Plan Year. Notwithstanding the foregoing, for purposes of this Subsection (2), Qualified Nonelective Contributions shall not be taken into account for a Plan Year for any Eligible Employee who is not a Highly Compensated Employee to the extent such Contributions exceed the product of such Eligible Employee's compensation and the greater of 5% or two times the Plan's "representative contribution rate" (as defined in Treasury Regulation Section 1.401(m)-2(a)(6)(v)(B)).

(3) In the event that excess aggregate contributions (as such term is hereinafter defined) are made to the Trust for any Plan Year, then, prior to March 15 of the following Plan Year, such excess aggregate contributions (and any income allocable thereto through the end of the Plan Year in which such excess aggregate contributions were made) shall be forfeited (if forfeitable) and applied as provided in Section 6.3(5) or (if not forfeitable) shall be distributed to the Highly Compensated Eligible Employees on the basis of the respective portions of the excess aggregate contributions attributable to each such Highly Compensated Eligible Employee in order of the dollar amount of Matching Employer Contributions made with respect to Highly Compensated Eligible Employees beginning with the Highly Compensated Eligible Employee with the highest dollar amount of Matching Employer Contributions. For the purposes of this Subsection (3), the term "excess aggregate contributions" shall mean, for any Plan Year, the excess of (a) the aggregate amount of the Matching Employer Contributions actually paid to the Trust by or on behalf of Highly Compensated Eligible Employees for such Plan Year over (b) the maximum amount of such Matching Employer Contributions permitted for such Plan Year under Subsection (1) of this Section, determined by hypothetically reducing Matching Employer Contributions made by or on behalf of Highly Compensated Eligible Employees in order of their actual contribution percentages (as defined in Section 3.7(2)) beginning with the highest of such percentages.

(4) The determination of excess aggregate contributions under this Section shall be made after (a) first determining the excess deferrals under this Section 3.5 and (b) then determining the excess contributions under Section 3.6.

3.8 **Monitoring Procedures** .

(1) In order to ensure that at least one of the actual deferral percentages specified in Section 3.6(1) and at least one of the contribution percentages specified in Section 3.7(1) are satisfied for each Plan Year, the Company may monitor (or cause to be monitored) the amount of Before-Tax Contributions, Roth Contributions and Matching Employer Contributions, if any, being made to the Plan for each Eligible Employee during each Plan Year. In the event that the Company determines that neither of such actual deferral percentages or neither of such contribution percentages will be satisfied for a Plan Year, the Before-Tax Contributions, Roth Contributions and/or Matching Employer Contributions made thereafter for each Highly Compensated Eligible Employee (as defined in Section 3.6(3)) shall be reduced (pursuant to non-discriminatory rules adopted by the Company) to the extent necessary to decrease the actual deferral percentage and/or contribution percentage for Highly Compensated Eligible Employees for such Plan Year to a level which satisfies either of the actual deferral percentages and/or either of the contribution percentages.

(2) In order to ensure that excess deferrals (as such term is defined in Section 3.5(2)) shall not be made to the Plan for any taxable year for any Member, the Company may monitor (or cause to be monitored) the amount of Before-Tax Contributions and Roth Contributions being made to the Plan for each Member during each taxable year and may take such action (pursuant to non-discriminatory rules adopted by the Company) to prevent Before-Tax Contributions and/or Roth Contributions made for any Member under the Plan for any taxable year from exceeding the maximum amount applicable under Section 3.5(1).

(3) In applying the limitations set forth in Sections 3.6 and 3.7, the Company may, at its option, utilize such testing procedures as may be permitted under sections 401(a)(4), 401(k), 401(m) or 410(b) of the Code, including, without limitation, (a) aggregation of the Plan with one or more other qualified plans of the Controlled Group, (b) inclusion of qualified matching contributions, qualified nonelective contributions or elective deferrals described in, and meeting the requirements of, Treasury regulations under sections 401(k) and 401(m) of the Code to any other qualified plan of the Controlled Group in applying the limitations set forth in Sections 3.6 and 3.7, (c) exclusion of all Eligible Employees (other than Highly Compensated Eligible employees) who have not met the minimum age and service requirements of section 410(a)(1)(A) of the Code in applying the limitations set forth in Sections 3.6 and 3.7, or (d) any permissible combination thereof.

3.9 **Rollover Contributions** .

(1) The Trustee shall, at the direction of the Company, receive and thereafter hold and administer as Rollover Contributions and part of the Trust Fund (a) for a Covered Employee, all or any portion of an Eligible Rollover Distribution that was distributed to the Covered Employee, or is transferred at the request of the Covered Employee, from a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) of the Code, an annuity contract described in section 403(b) of the Code, or an eligible plan described in section 457(b) of the Code maintained by a state, political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state, provided that the requirements of section 402(c) or 401(a)(31) of the Code are met; (b) for a Covered Employee, the entire amount of a distribution to the Covered Employee from an individual retirement account described in section 408(a) of the Code or an individual retirement annuity described in section 408(b) of the Code, provided that the requirements of section 408(d)(3)(A)(ii) of the Code are met, or (c) for a former Employee who has an Account balance under the Plan at the time the rollover is made, all or any portion of an Eligible Rollover Distribution that was distributed to the former Employee or is transferred at the request of the former Employee from a qualified trust (described in section 401(a) of the Code) established or maintained by the Company or J.W. Harris Co., Inc. to hold the assets of its defined benefit pension plan, provided that the requirements of section 402(c) or 401(a)(31) of the Code are met. The Trustee may accept cash or cash equivalents that constitute all or a portion of any such distribution and, at the discretion of the Plan Administrator, may accept a note representing an outstanding plan loan from a qualified trust described in section 401(a) of the Code that constitutes all or a portion of any such distribution.

Without limiting the generality of the foregoing, the Plan may accept as a Rollover Contribution amounts distributed from a designated Roth account (as defined in section 402A of the Code) which shall be separately accounted for under the Plan, but the Plan shall not accept as a Rollover Contribution any amounts distributed from a Roth IRA (as defined in section 408A of the Code).

Further notwithstanding any other provision of the Plan to the contrary, solely with respect to a Covered Employee who was an Employee of Easom Automation Systems, Inc. on December 31, 2014, the Trustee shall, at the direction of the Company, receive and thereafter hold and administer as a Rollover Contribution and part of the Trust Fund the portion of an “eligible rollover distribution” (within the meaning of

section 402(c) of the Code) that is transferred (in the form of a direct rollover) at the request of the Covered Employee from the Easom Automation Systems, Inc. 401(k) Plan and is a note representing an outstanding plan loan of such Covered Employee under such plan, provided that no portion of such plan loan was attributable to a loan from amounts held in a designated Roth account (as defined in section 402A of the Code) under such plan.

(2) A Covered Employee for whom a Rollover Contribution is made to the Trust Fund pursuant to Subsection (1) of this Section and who is otherwise not a Member shall be deemed to be a Member on and after the date of such Rollover Contribution for all purposes of the Plan other than Articles III and IV.

(3) Notwithstanding any other provision of the Plan to the contrary, effective for the period beginning August 1, 2021 and ending December 31, 2021, an Employee of Shoals Tubular, Inc. (excluding, however, (a) any “leased employee” (as defined in Section 1.1(21)), (b) any Disabled Employee and (c) any Employee classified as either an intern or a Co-Op Employee) shall be considered a “Covered Employee” for purposes of this Section 3.9, and not for any other purpose under the Plan.

3.10 Transfers of Assets to this Plan from Other Plans. The Trustee shall, at the direction of the Company, receive and thereafter hold all amounts that may be transferred to it from a trust held under another plan that meets the requirements of sections 401(a) and 501(a) of the Code and that is not subject to the funding standards of section 412 of the Code. The amounts so transferred shall be allocated to such current or new Sub-Accounts established and maintained for the applicable Members under Section 5.2, as determined by the Company.

3.11 Catch-Up Contributions . All Members who have elected, or are deemed to have elected, to make Before-Tax Contributions and/or Roth Contributions to this Plan and who have attained age 50 before the end of a particular Plan Year shall be eligible to make catch-up contributions (the “Catch-Up Before-Tax Contributions” and “Catch-Up Roth Contributions,” respectively and, the “Catch-Up Contributions,” collectively) in accordance with, and subject to the limitations of, section 414(v) of the Code; provided, however that Catch-Up Contributions shall not be eligible for Matching Employer Contributions under Section 4.1, and provided further that Catch-Up Contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of section 401(a)(30) and 415(c) of the Code (i.e.,

Sections 3.6 and 4.11, respectively). In addition, notwithstanding any provision of the Plan to the contrary, the Plan shall not be treated as failing to satisfy the requirements of sections 401(k)(3), 401(k)(11), 410(b) or 416 of the Code, as applicable, by reason of the making of any such Catch-Up Contributions. In furtherance of, but without limiting the foregoing, Before-Tax Contributions and Roth Contributions that exceed (i) the percentage limits described in Section 3.1, (ii) the statutory limits described in Sections 3.5(1) and 4.11, or (iii) the limits specified by the Company under Section 3.8 for the Plan Year, shall be treated as Catch-Up Contributions; provided, however, that whether Before-Tax Contributions and Roth Contributions are in excess of any applicable limit and therefore shall be treated as Catch-Up Contributions shall be determined as of the end of the Plan Year. A Member who is eligible to make Catch-Up Contributions shall designate whether his Catch-Up Contributions shall be considered Before-Tax Contributions or Roth Contributions. In the event a Member does not designate whether the Catch-Up Contributions to be made are to be Before-Tax Contributions or Roth Contributions, all Catch-Up Contributions shall be deemed for all purposes of the Plan to be Before-Tax Contributions.

3.12 Classification of Article III Contributions .

(1) Except as otherwise provided in Section 3.12(3), when transmitted to the Plan pursuant to this Article III, Before-Tax Contributions and Roth Contributions (including Catch-Up Contributions) shall be held in the Non-ESOP Account and, if invested in Holdings Stock, shall be held in the Non-ESOP Holdings Stock Sub-Fund. As provided in Section 5.6, such Before-Tax Contributions and Roth Contributions that remain invested in Holdings Stock shall later be transferred to the ESOP Holdings Stock Sub-Fund within the ESOP Account.

(2) To the extent invested in Holdings Stock, Rollover Contributions shall be transmitted to and held in the ESOP Account and invested in the ESOP Holdings Stock Sub-Fund.

(3) At the time of the transfer, the Company shall designate what portion of the transfer contributions described in Section 3.10 are to be transmitted to and held in the ESOP Account and/or the Non-ESOP Account. To the extent that any such amounts are held in the Non-ESOP Account and invested in Holdings Stock, such amounts shall be held in the Non-ESOP Holdings Stock Sub-Fund. As provided in Section 5.6, such amounts that remain invested in Holdings Stock shall later be transferred to the ESOP Holdings Stock Sub-Fund within the ESOP Account.

ARTICLE IV -EMPLOYER CONTRIBUTIONS

4.1 **Amount of Matching Employer Contributions** . Except as otherwise provided in any other provision of the Plan or Trust Agreement, each Employer may, in its discretion, contribute to the Trust on account of each Plan Year an amount (the “Matching Employer Contributions”) equal to the Matching Employer Contribution Percentage multiplied by the Before-Tax Contributions and Roth Contributions (not in excess of 3% of Compensation or such other percentage of Compensation specified in the Employer’s Instrument of Adoption) made during such Plan Year pursuant to Section 3.1 for the Employees of the Employer who are Matching Contribution Participants and are entitled to participate in such Employer’s Matching Employer Contributions for such Year pursuant to Section 4.3. Notwithstanding any provision of the Plan (including any Instrument of Adoption) to the contrary, an Employer’s Matching Employer Contributions to the Trust on account of any Plan Year shall in no event exceed the amount that would be deductible for such Year for purposes of federal taxes on income under applicable provisions of the Code and shall be made on the condition that such Contributions are deductible under applicable provisions of the Code. The amount of Matching Employer Contributions determined to be payable to the Trust shall be reduced by amounts that have been forfeited or held in a suspense account in accordance with the terms of the Plan. Notwithstanding any provision of the Plan to the contrary, no Matching Employer Contributions shall be made with respect to any Catch-Up Contributions (as defined in Section 3.11).

4.2 **Time of Matching Employer Contributions** . Matching Employer Contributions may be made in cash or Holdings Stock. An Employer may make its Matching Employer Contributions on account of any Plan Year, or partial payments of such Matching Employer Contributions, at any time during such Year or within the time following the close of such Year that is prescribed by law for filing its federal income tax return (including extensions thereof).

4.3 **Allocation of Matching Employer Contributions** . Except as otherwise provided in any other provision of the Plan or Trust Agreement, each Employer’s Matching Employer Contributions made for a Plan Year shall, subject to the provisions of Sections 3.5(3), 3.6(5) and 3.7(3), be allocated and credited to the Account of each Employee of the Employer who is a Matching Contribution Participant, who is entitled to receive Matching Employer Contributions and for whom Before-Tax Contributions and/or Roth Contributions were made during such Plan

Year, with each such Matching Contribution Participant being credited with a portion of such Employer's Matching Employer Contributions equal to the Matching Employer Contribution Percentage of the Before-Tax Contributions and Roth Contributions (not in excess of 3% of Compensation or such other percentage of Compensation specified in the Employer's Instrument of Adoption) made for him pursuant to Section 3.1. An Employee of the Employer who is a Matching Contribution Participant and for whom Before-Tax Contributions and/or Roth Contributions are made shall be entitled to receive an allocation of Matching Employer Contributions in accordance with the preceding sentence for the period during which he was a Matching Contribution Participant. For purposes of this Section, the terms "Before-Tax Contributions" and "Roth Contributions" shall not include any Catch-Up Contributions (as defined in Section 3.11).

4.4 **Qualified Nonelective Contributions** . For any Plan Year, an Employer, in its discretion, may make a Qualified Nonelective Contribution (1) in such amount, (2) for such Members and (3) in such proportions among such Members as such Employer shall determine. Qualified Nonelective Contributions may be made in cash or Holdings Stock and shall be made within the time prescribed by law for making Qualified Nonelective Contributions. Each Employer shall designate to the Trustee the Plan Year for which and the Members for whom any Qualified Nonelective Contribution is made.

4.5 **Allocation of Qualified Nonelective Contributions** . Qualified Nonelective Contributions shall be allocated to the Accounts of Members who are designated by an Employer as eligible to share therein in such amounts as such Employer directs.

4.6 **Nonelective Employer Contributions** . Subject to the provisions of the Plan and Trust Agreement, each Employer of Nonelective Contribution Participants shall contribute to the Trust on account of each Plan Year an amount (the "Nonelective Employer Contributions") equal to 3% of the Compensation received by those Employees of the Employer who are Members and Nonelective Contribution Participants for such Plan Year, but only with respect to Compensation received while such Members were Nonelective Contribution Participants. An Employer may make Nonelective Employer Contributions on account of a Plan Year, or partial payments of such Contributions, at any time during such Plan Year or within the time following the close of such

Year that is prescribed by law for the filing by each such Employer of its federal income tax return (including extensions thereof). Nonelective Employer Contributions shall be made in cash.

4.7 **Allocation of Nonelective Employer Contributions** . Each Employer's Nonelective Employer Contributions made for a Plan Year shall be allocated and credited to the Accounts of those Members who were Nonelective Contribution Participants at any time during such Plan Year, but only with respect to the period during which they were Nonelective Contribution Participants. As of the last day of the period for which Nonelective Employer Contributions are made but in no event later than the last day of the Plan Year there shall be credited to the Account of each such Nonelective Contribution Participant a portion of the Nonelective Employer Contributions of such Nonelective Contribution Participant's Employer made for such period equal to the amount of such Nonelective Employer Contribution multiplied by a fraction, the numerator of which is the Nonelective Contribution Participant's Compensation received while a Nonelective Contribution Participant for such period and the denominator of which is the total Compensation received while Nonelective Contribution Participants for such period of all Nonelective Contribution Participants of such Employer.

4.8 **Transitional Employer Contributions** . Subject to the provisions of the Plan and Trust Agreement, each Employer of Transitional RAP Participants shall contribute to the Trust on account of each Plan Year an amount equal to 6% of the Compensation received by those Employees of the Employer who are Members and Transitional RAP Participants for such Plan Year, but only with respect to Compensation received while such Members were Transitional RAP Participants (the "Transitional RAP Contributions"). Subject to the provisions of the Plan and Trust Agreement, each Employer of Transitional Kaliburn Participants shall contribute to the Trust on account of each Plan Year an amount equal to 3% of the Compensation received by those Employees of the Employer who are Members and Transitional Kaliburn Participants for such Plan Year, but only with respect to Compensation received while such Members were Transitional Kaliburn Participants (the "Transitional Kaliburn Contributions" and, together with the Transitional RAP Contributions, the "Transitional Employer Contributions"). An Employer may make Transitional Employer Contributions on account of a Plan Year, or partial payments of such Contributions, at any time during such Plan Year or within the time following the close of such

Year that is prescribed by law for the filing by each such Employer of its federal income tax return (including extensions thereof). Transitional Employer Contributions shall be made in cash.

4.9 Allocation of Transitional Employer Contributions .

(1) Each Employer's Transitional RAP Contributions made for a Plan Year shall be allocated and credited to the Accounts of those Members who were Transitional RAP Participants at any time during such Plan Year, but only with respect to the period during which they were Transitional RAP Participants. As of the last day of the period for which Transitional RAP Contributions are made but in no event later than the last day of the Plan Year there shall be credited to the Account of each such Transitional RAP Participant a portion of the Transitional RAP Contributions of such Transitional RAP Participant's Employer made for such period equal to the amount of such Transitional RAP Contribution multiplied by a fraction, the numerator of which is the Transitional RAP Participant's Compensation received while a Transitional RAP Participant for such period and the denominator of which is the total Compensation received while Transitional RAP Participants for such period of all Transitional RAP Participants of such Employer.

(2) Each Employer's Transitional Kaliburn Contributions made for a Plan Year shall be allocated and credited to the Accounts of those Members who were Transitional Kaliburn Participants at any time during such Plan Year, but only with respect to the period during which they were Transitional Kaliburn Participants. As of the last day of the period for which Transitional Kaliburn Contributions are made but in no event later than the last day of the Plan Year there shall be credited to the Account of each such Transitional Kaliburn Participant a portion of the Transitional Kaliburn Contributions of such Transitional Kaliburn Participant's Employer made for such period equal to the amount of such Transitional Kaliburn Contribution multiplied by a fraction, the numerator of which is the Transitional Kaliburn Participant's Compensation received while a Transitional Kaliburn Participant for such period and the denominator of which is the total Compensation received while Transitional Kaliburn Participants for such period of all Transitional Kaliburn Participants of such Employer.

4.10 Return of Contributions to Employers .

(1) Except as specifically provided in this Section or in the other Sections of the Plan, the Trust Fund shall never inure to the benefit of the Employers and shall be held for the exclusive

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purposes of providing benefits to Employees, Members and their Beneficiaries and defraying reasonable expenses of administering the Plan.

(2) If an Employer Contribution to the Trust is made by an Employer by a mistake of fact, the excess of the amount contributed over the amount that would have been contributed had there not occurred a mistake of fact shall be returned to such Employer within one year after the payment of such Contribution. If an Employer Contribution to the Trust made by an Employer is not fully deductible under section 404 of the Code (or any successor thereto), such Contribution, to the extent the deduction therefor is disallowed, shall be returned to the Employer within one year after the disallowance of the deduction. Earnings attributable to Employer Contributions returned to an Employer pursuant to this Subsection may not be returned, but losses attributable thereto shall reduce the amount to be returned; provided, however, that if the withdrawal of the amount attributable to the mistaken or non-deductible contribution would cause the balance of the individual Account of any Member to be reduced to less than the balance that would have been in such Account had the mistaken or non-deductible amount not have been contributed, the amount to be returned to the Employer pursuant to this Section shall be limited so as to avoid such reduction.

4.11 **Maximum Additions.**

(1) Notwithstanding any other provision of the Plan, except to the extent permitted under Section 3.11 and section 414(v) of the Code, the maximum annual additions (as defined in Subsection (2) of this Section) to a Member's account for any limitation year (which shall be the Plan Year) shall in no event exceed the lesser of (a) \$40,000 (as adjusted pursuant to section 415(d) of the Code) or (b) 100% of his compensation for such Plan Year.

(2) For the purpose of this Section, the term "annual additions" means the sum for any limitation year of:

(a) all contributions (including, without limitation, Before-Tax Contributions and Roth Contributions made pursuant to Section 3.1) made by the Controlled Group that are allocated to the Member's account pursuant to a defined contribution plan maintained by a Controlled Group Member,

(b) all employee contributions made by the Member to a defined contribution plan maintained by a Controlled Group Member,

(c) all forfeitures allocated to the Member's account pursuant to a defined contribution plan maintained by a Controlled Group Member, and

(d) any amount attributable to medical benefits allocated to the Member's account established under section 419A(d)(1) of the Code if the Member is or was a key-employee (as such term is defined in section 416(i) of the Code) during such limitation year or any preceding limitation year.

(3) For purposes of Section 4.11, the term "compensation" shall include those items of remuneration specified in Treasury Regulation Section 1.415(c)-2(b) (including "deemed section 125 compensation" as defined in Treasury Regulation Section 1.415(c)-2(g)(6)(ii), and amounts described in Treasury Regulation Section 1.415(c)-2(g)(5) that are paid to any nonresident alien who is a Member) and shall exclude those items of remuneration specified in Treasury Regulation Section 1.415(c)-2(c), taking into account the timing rules specified in Treasury Regulation Section 1.415(c)-2(e) (other than Treasury Regulation Section 1.415(c)-2(e)(2)), but shall not include any amount in excess of the limitation under section 401(a)(17) of the Code in effect for the year. The term "compensation" as defined in the preceding sentence shall include any payments made to a Member by the later of (a) two and one-half (2-1/2) months after the date of the Member's severance from employment with the Controlled Group or (b) the end of the limitation year that includes the date of the Member's severance from employment with the Controlled Group, provided that, absent a severance from employment, such payments (i) would have been paid to the Member if the Member had continued in employment with the Controlled Group and (ii) are regular compensation for services performed during the Member's regular working hours, compensation for services outside the Member's regular working hours (such as overtime or shift differential pay), commissions, bonuses or other similar compensation. The term "compensation" shall also include any differential wage payments (within the meaning of section 3401(h)(2) of the Code) made to a Member by the Controlled Group.

4.12 **Definitions** .

(1) For purposes of applying the limitations set forth in Section 4.11, all qualified defined contribution plans (whether or not terminated) ever maintained by one or more Controlled Group Members shall be treated as one defined contribution plan.

(2) For purposes of this Section 4.12 and Section 4.11, the term “Controlled Group Member” shall be construed in the light of section 415(h) of the Code.

4.13 FSP and FSP Plus Contributions . For Plan Years commencing prior to January 1, 2017, in accordance with the terms of the Plan as then in effect, certain Employers contributed to the Trust on account of Plan Years in effect prior to January 1, 2017 (a) FSP Contributions on behalf of Members who were FSP Participants and (b) FSP Plus Contributions on behalf of Members who were FSP Plus Participants. No further FSP Contributions or FSP Plus Contributions shall be contributed to the Trust on account of any Plan Year commencing on or after January 1, 2017.

4.14 Classification of Article IV Contributions .

(1) When transmitted to the Plan pursuant to this Article IV, Matching Employer Contributions, Qualified Nonelective Contributions, Nonelective Employer Contributions and Transitional Employer Contributions shall be held in the Non-ESOP Account and, if invested in Holdings Stock, shall be held in the Non-ESOP Holdings Stock Sub-Fund. As provided in Section 5.6, such contributions that remain invested in Holdings Stock shall later be transferred to the ESOP Holdings Stock Sub-Fund within the ESOP Account.

(2) To the extent invested in Holdings Stock, FSP Contributions and FSP Plus Contributions shall be held in the ESOP Account and invested in the ESOP Holdings Stock Sub-Fund.

ARTICLE V -INVESTMENTS; ACCOUNTS; ESOP PROVISIONS; LOANS

5.1 Investment Funds .

(1) The Trust Fund shall be divided into such Investment Funds as the Investment Committee shall from time to time determine, and all amounts contributed to the Plan shall be invested therein as provided in Section 5.5. Notwithstanding the foregoing, the Investment Committee shall direct the Trustee (a) to establish and maintain a Holdings Stock Fund as one of the Investment Funds, and (b) to establish and maintain self-directed investment accounts, subject to such rules and procedures as are established by the Investment Committee, (“Self-Directed Investment Accounts”) for each Member who so elects in accordance with Section 5.5, each of which Self-Directed Investment Accounts shall be considered an Investment Fund hereunder. The Trustee (or investment manager, if applicable) shall invest and reinvest the principal and income of each such Fund and shall keep each such Fund invested, without distinction between principal and income, as required under the terms of the Plan and Trust Agreement. Subject to Section 5.9, dividends, interest and other distributions received in respect of each Investment Fund shall be reinvested in the same Fund. The Holdings Stock Fund shall be maintained as an Investment Fund at all times during which a portion of the Plan is intended to constitute an ESOP.

(2) The Administrative Committee shall adopt, and may amend, from time to time general rules of uniform application that shall provide for the administration of each Investment Fund, including, but not limited to, rules providing for (a) procedures pursuant to which a Member may elect to have his Account invested in any such Fund (if more than one such Fund is established) in accordance with Section 5.5, (b) the method of changing any such election pursuant to Section 5.5 by either the Member or his Beneficiary and the frequency of any such election, (c) the Fund or Funds in which a Member’s Account shall be invested in the absence of an effective election, and (d) any other matters that the Administrative Committee deems necessary or advisable in the administration of any such Fund.

5.2 Account; Sub-Account . The Company shall establish and maintain, or cause to be established and maintained, an Account for each Member, which Account shall reflect, pursuant to Sub-Accounts established and maintained thereunder, the amount, if any, of the Member’s (1) Before Tax Contributions, (2) Roth Contributions, (3) Rollover Contributions, (4) Prior ESOP Contributions, (5) Matching Employer Contributions, (6) Qualified Nonelective Contributions, (7)

Nonelective Employer Contributions, (8) Transitional Employer Contributions, (9) FSP Contributions, (10) FSP Plus Contributions, (11) Weartech Prior Matching Contributions, (12) Harris Prior Employer Contributions, (13) Rimrock Prior Employer Contributions, (14) Wolf Prior Employer Contributions, (15) Pro-Systems Prior Employer Contributions, (16) Techalloy Prior Employer Contributions, (17) Tennessee Rand Prior Employer Contributions, and (18) Wayne Trail Prior Employer Contributions. The Company shall also establish and maintain an ESOP Account and a Non-ESOP Account for each Member. To the extent a Member's Rollover Contributions consist of the portion of a distribution not includible in the gross income of the Member, the Plan shall separately account for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible, and any amount received as a Rollover Contribution from a designated Roth account, as defined in section 402A of the Code (and only to the extent the rollover is permitted under the rules of section 402(c) of the Code), will be allocated to a Roth Rollover Contributions Sub-Account within the Member's Rollover Contributions Sub-Account. The Company may establish such other Sub-Accounts, to the extent deemed necessary or desirable, in order to separately account for contribution and/or investment sources.

5.3 **Reports** . The Company shall cause reports to be made at least annually to each Member and to the Beneficiary of each deceased Member as to the value of his Account and the amount of his Vested Interest.

5.4 **Valuation of Investment Funds** .

(1) The Trustee shall, as of the close of business on each Valuation Date, determine the value of each Investment Fund. Each such valuation shall be made on the basis of the market value (as determined by the Trustee) of the assets of each Fund, except that property which the Trustee determines does not have a readily determinable market value, and bonds and notes issued or guaranteed by the United States, shall be valued at fair market value as determined by the Trustee in such manner as it deems appropriate, and the Trustee's determination of such value shall be conclusive on all interested persons for all purposes of the Plan. A similar valuation shall be made at any other time upon the written direction of the Administrative or the Investment Committee to the Trustee or when the Trustee deems it appropriate to make such a valuation. In accordance with section 401(a)(28)(C) of the Code, valuation of Holdings Stock that is or becomes

not readily tradable on an established securities market shall be made by an independent appraiser who meets the requirements similar to the requirements of the regulations prescribed under section 170(a)(1) of the Code.

(2) The Trustee shall determine, from the change in value of each Investment Fund between the current Valuation Date and the then last preceding Valuation Date, the net gain or loss of each such Fund during such period resulting from expenses and realized and unrealized earnings, profits and losses of the Fund during such period. For this purpose, (a) the transfer of funds to or from an Investment Fund pursuant to Section 5.5, (b) contributions allocated to an Investment Fund, (c) payments, distributions and withdrawals from an Investment Fund to pay Plan related fees or provide loans, distributions or benefits under the Plan for Members or Beneficiaries and (d) the transfer of amounts from a Member's Non-ESOP Account to the ESOP Account pursuant to Section 5.6 shall not be deemed to be earnings, profits, expenses or losses of the Investment Fund.

(3) After each Valuation Date, the net gain or loss of each Investment Fund determined pursuant to Subsections (1) and (2) of this Section shall be allocated as of such Valuation Date to the Accounts of Members and Beneficiaries of deceased Members in proportion to the amounts of such Accounts invested in each Fund on such Valuation Date. In determining the amounts of Accounts on a Valuation Date for the purposes of this Subsection (3), the Investment Committee shall adopt rules to the effect that in determining the allocation of the net gain or loss of each Investment Fund for any such period there shall be counted, on a proportionate basis, contributions to or distributions from, or other credits or debits to, the Accounts of Members and Beneficiaries since the beginning of such period to the extent the amounts so distributed or debited were in such Fund during such period. Such rules shall be uniform in their application to all persons who are similarly situated.

5.5 **Investment of Contributions/Liquidation** .

(1) Subject to Sections 3.12, 4.14 and 5.6, each Member may, pursuant to rules and procedures adopted by the Administrative Committee, direct that all amounts contributed to the Plan by or for him shall be invested in any or all of the Investment Funds (subject to the limitations on Self-Directed Investment Accounts and managed accounts described in this Section). An investment option selected by a Member shall remain in effect and be applicable to all subsequent

such Contributions made by or for him unless and until an investment change is made by him and becomes effective pursuant to rules and procedures adopted by the Administrative Committee.

(2) Subject to Sections 3.12, 4.14 and 5.6, each Member may, pursuant to rules and procedures adopted by the Administrative Committee, make a change in the investment options selected by the Member with respect to amounts then held in his Account, including an election to transfer amounts then held in his Account into or out of a Self-Directed Investment Account; provided, however, that (a) no such transfer into a Self-Directed Investment Account will result in more than 50% of a Member's Vested Interest being then held in a Self-Directed Investment Account, (b) only amounts attributable to a Member's Vested Interest and no less than a minimum amount designated by the Investment Committee may be transferred to a Self-Directed Investment Account, and (c) a Self-Directed Investment Account may not invest in Holdings Stock or any other type of security or other property designated by the Investment Committee as an impermissible investment for a Self-Directed Investment Account.

(3) Default Investment Funds. In the absence of an effective investment direction and/or an effective investment change, (i) Prior ESOP Contributions shall be invested in the ESOP Holdings Stock Sub-Fund (or in such other Investment Fund as the Investment Committee shall designate for such purpose) and (ii) all other contributions shall be invested in such Investment Fund or Funds (each of which shall be a "qualified default investment alternative" within the meaning of Department of Labor regulations), and in such proportions, as is designated by the Investment Committee from time to time for such purpose.

(4) Diversification of ESOP Account. To the extent not otherwise permitted by the preceding provisions of this Section, Members shall be permitted, pursuant to procedures established by the Administrative Committee, to diversify the investment of their ESOP Account to the extent required by section 401(a)(28)(B) of the Code, provided that such members are "qualified participants" within the meaning of section 401(a)(28) of the Code.

(5) Managed Account Service. For purposes of this Section, effective as of October 1, 2018, a Member may act individually or utilize a managed account service, under which investment directions for the selection of investment options from the available Investment Funds (other than the Self-Directed Investment Account) will be provided by a registered investment manager on behalf of the Member appointed under the Plan for this purpose, in accordance with rules and procedures established by the Investment Committee. Elections shall be subject to such

additional rules or restrictions imposed by the Trustee or investment manager, and the Trustee and investment manager may decline to implement any election it deems inappropriate in light of such rules or restrictions

(6) **Liquidation of Investment Funds**. Except as expressly provided otherwise in the Plan, loans, withdrawals, forfeitures and other distributions from a Member's Account shall first be allocated among the Investment Funds (other than the Self-Directed Investment Account) in the same proportion as the value (determined as of the Valuation Date that is the effective date of such distribution) of such Member's Sub-Accounts invested in each such Investment Fund bears to the total value (determined as of such Valuation Date) of such Sub-Accounts. In the event that additional funds are needed to fund such distributions, the Member's investments in his Self-Directed Investment Account shall be liquidated in accordance with the methodology and hierarchy determined by the Administrative Committee as in effect from time to time.

5.6 **ESOP Account and Non-ESOP Account** .

(1) Amounts that Members choose to invest in any Investment Fund other than the Holdings Stock Fund shall be held in the Member's Non-ESOP Account.

(2) As described in Section 3.12 and 4.14, certain amounts held in the Member's Non-ESOP Account that are invested in Holdings Stock shall initially be invested in the Non-ESOP Holdings Stock Sub-Fund, subject to transfer to the Member's ESOP Account. Any amount of the Participant's Non-ESOP Account invested in Holdings Stock as of the first day of the Plan Year immediately succeeding the Plan Year in which the contributions comprising such amounts were contributed to the Plan shall automatically be transferred to the Member's ESOP Account and the ESOP Holdings Stock Sub-Fund effective as of such date.

5.7 **Directions to Trustee**. The Administrative Committee shall give appropriate and timely directions to the Trustee in order to permit the Trustee to give effect to the investment choice and investment change elections made under Section 5.5 and to provide funds for loans, distributions and withdrawals pursuant to Section 5.8 and Article VI.

5.8 **Loans to Members** .

(1) A Member who is an Employee or a "party in interest" within the meaning of section 3(14) of ERISA, but who is not a Disabled Member, may apply on the form provided by the Administrative Committee for a loan from his Vested Interest in his Account. If the Committee

determines that the Member is not in bankruptcy or similar proceedings and is entitled to a loan in accordance with the following provisions of this Section, the Committee shall direct the Trustee to make a loan to the Member from his Account. Each loan shall be charged against the Member's Vested Interest in his Sub-Accounts as follows: first, against the Member's Rollover Contributions Sub-Account (excluding the Roth Rollover Contributions Sub-Account), if any; second, to the extent necessary, against the Member's Before-Tax Contributions Sub-Account, if any; third, to the extent necessary, against the Member's Qualified Nonelective Contributions Sub-Account, if any; fourth, to the extent necessary, against the Member's Matching Employer Contributions Sub-Account, if any; fifth, to the extent necessary, against the Member's Nonelective Employer Contributions Sub-Account, if any; sixth, to the extent necessary, against the Member's Transitional Employer Contributions Sub-Account, if any; seventh, to the extent necessary, against the Member's Prior ESOP Contributions Sub-Account, if any; eighth, to the extent necessary, against the Member's Weartech Prior Matching Contributions Sub-Account, if any; ninth, to the extent necessary, against the Member's FSP Contributions Sub-Account; tenth, to the extent necessary, against the Member's FSP Plus Contributions Sub-Account; eleventh, to the extent necessary, against the Member's Harris Prior Employer Contributions Sub-Account, if any; twelfth, to the extent necessary, against the Member's Roth Rollover Contributions Sub-Account; thirteenth, to the extent necessary, against the Member's Roth Contributions Sub-Account; fourteenth, to the extent necessary, against the Member's Rimrock Prior Employer Contributions Sub-Account, if any; fifteenth, to the extent necessary, against the Member's Wolf Prior Employer Contributions Sub-Account, if any; sixteenth, to the extent necessary, against the Member's Pro-Systems Prior Employer Contributions Sub-Account, if any; seventeenth, to the extent necessary, against the Member's Techalloy Prior Employer Contributions Sub-Account, if any; eighteenth, to the extent necessary, against the Member's Tennessee Rand Prior Employer Contributions Sub-Account, if any; and nineteenth, to the extent necessary, against the Member's Wayne Trail Prior Employer Contributions Sub-Account, if any.

(2) A Member shall not be entitled to a loan under this Section unless the Member consents to (a) the use of the Member's Account as security as provided in Subsection (5)(c) of this Section and (b) the possible reduction of the Member's Account as provided in Subsection (6) of this Section.

(3) Each loan shall be in an amount that is not less than \$1,000. A Member may have up to three loans outstanding at any one time. The maximum loan to any Member (when added to the outstanding balance of all other loans to the Member from all qualified employer plans (as defined in section 72(p)(4) of the Code) of the Controlled Group) shall be an amount that does not exceed the lesser of:

(a) \$50,000, reduced by the excess (if any) of (i) the highest outstanding balance of such other loans during the one-year period ending on the day before the date on which such loan is made, over (ii) the outstanding balance of such other loans on the date on which such loan is made, or

(b) 50% of the value of such Member's Vested Interest in his Account on the date on which such loan is made.

(4) For each Member for whom a loan is authorized pursuant to this Section, the Committee shall (a) direct the Trustee to liquidate the Member's interest in the Investment Funds, on a pro rata basis, to the extent necessary to provide funds for the loan, (b) direct the Trustee to disburse such funds to the Member upon the Member's execution of the promissory note and security agreement referred to in Subsection (5)(d) of this Section, (c) transmit to the Trustee the executed promissory note and security agreement referred to in Subsection (5)(d) of this Section, and (d) establish and maintain a separate recordkeeping account within the Member's Account (the "Loan Account") (i) which initially shall be in the amount of the loan, (ii) to which the funds for the loan shall be deemed to have been allocated and then disbursed to the Member, (iii) to which the promissory note shall be allocated and (iv) which shall show the unpaid principal of and interest on the promissory note from time to time. All payments of principal and interest by a Member shall be credited initially to his Loan Account and applied against the Member's promissory note, and then invested in the Investment Funds pursuant to the Member's direction under Section 5.5.

(5) Loans made pursuant to this Section:

(a) shall be made available to all Members on a reasonable equivalent basis;

(b) shall not be made available to Highly Compensated Employees in a percentage amount greater than the percentage amount made available to other Members;

(c) shall be secured by the Member's Loan Account; and

(d) shall be evidenced by a promissory note and security agreement executed by the Member that provides for:

(i) the security referred to in paragraph (c) of this Subsection;

(ii) a rate of interest determined by the Committee in accordance with applicable law;

(iii) repayment within a specified period of time, which shall not extend beyond five years, unless the loan is used to acquire any dwelling unit that within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Member, in which case the maximum repayment period shall not extend beyond fifteen years;

(iv) repayment in equal payments over the term of the loan, with payments not less frequently than quarterly, provided, however, that the Administrative Committee may waive such requirement for a period of not longer than one year in the case of a Member who is on an unpaid leave of absence in accordance with Treasury regulations issued under section 72(p) of the Code; and

(v) for such other terms and conditions as the Committee shall determine, that shall include provision that:

(A) with respect to a Member who is an Employee, the loan will be repaid pursuant to authorization by the Member of equal payroll deductions over the repayment period sufficient to amortize fully the loan within the repayment period, provided, however, the Committee may waive the requirement of equal payroll deductions if the Company payroll through which the Member is paid cannot accommodate such deductions;

(B) the loan shall be prepayable in whole at any time without penalty; and

(C) the loan shall be in default and become immediately due and payable upon the first to occur of the following events:

(I) the Member's failure to make required payments on the promissory note;

(II) in the case of a Member who is not an Employee, distribution of his Account; or

(III) the filing of a petition, the entry of an order or the appointment of a receiver, liquidator, trustee or other person in a similar capacity, with respect to the Member, pursuant to any state or federal law relating to bankruptcy, moratorium, reorganization, insolvency or liquidation, or any assignment by the Member for the benefit of his creditors.

(6) Notwithstanding any other provision of the Plan, a loan made pursuant to this Section shall be a first lien against the Member's Loan Account. Any amount of principal or interest due and unpaid on the loan at the time of any default on the loan shall be satisfied by deduction from the Member's Loan Account, and shall be deemed to have been distributed to the Member, as follows:

(a) in the case of a Member who is an Employee and who is not, at the time of the default, eligible to receive distribution of his Account under the provisions of Article VI, other than Section 6.7(1), or by order of a court, at such time as he first becomes eligible to receive distribution of his Account under the provisions of Article VI, other than Section 6.7(1), or by order of a court; or

(b) in the case of any other Member, immediately upon such default.

(7) Notwithstanding any other provision of the Plan, loan repayments will be suspended under the Plan as permitted under section 414(u)(4) of the Code (for Members on a leave of absence for "qualified military service" (as defined in Section 11.8)).

(8) Loans outstanding under the Harris Plan on July 31, 2017 were transferred to the Plan and shall continue to be governed by the terms in effect for such loans under the Harris Plan on July 31, 2017. Further, the limitation set forth in Subsection (3) of this Section on the number of loans that a Member may have outstanding at any one time shall not apply to a Former Harris Plan Participant who on July 31, 2017 had more than three loans outstanding under the Harris Plan, provided, however, that such Former Harris Plan Participant shall not be eligible obtain a loan under this Plan until he has less than three loans outstanding under the Plan, and thereafter shall be subject to the limitation set forth in Subsection (3).

(9) Loans outstanding under the Rimrock Plan or Wolf Plan on December 31, 2019 were transferred to the Plan and shall continue to be governed by the terms in effect for such loans

under the Rimrock Plan or Wolf Plan, as applicable, on December 31, 2019, and such loans shall not be subject to the \$1,000 minimum loan amount set forth in Subsection (3) of this Section.

(10) Loans outstanding under the Pro-Systems Plan on January 15, 2021 were transferred to the Plan and shall continue to be governed by the terms in effect for such loans under the Pro-Systems Plan on January 15, 2021, and such loans shall not be subject to the maximum repayment period for a loan used to acquire a principal residence of the Member set forth in Subsection (5)(d)(iii) of this Section.

5.9 Dividends on Holdings Stock . Notwithstanding any other provision of the Plan, cash dividends paid on shares of Holdings Stock that are held in the ESOP Account and the ESOP Holdings Stock Sub-Fund as of the record date of such dividend shall be, at the election of the Member or his Beneficiary, either:

(1) paid by Lincoln Electric Holdings, Inc. in cash to the Member or Beneficiary, or, at the discretion of the Administrator, paid by Lincoln Electric Holdings, Inc. to the Trust and distributed from the Trust to Members or Beneficiaries, not later than ninety (90) days after the close of the Plan Year in which paid to the Plan; or

(2) paid to the Plan and reinvested in the ESOP Holdings Stock Sub-Fund.

In the absence of an effective election under this Section, dividends on Holdings Stock shall be paid to the Plan and reinvested in the ESOP Holdings Stock Sub-Fund. The Plan Administrator shall determine the scope, manner and timing of the elections, dividend payments or distributions, and reinvestment in Holdings Stock described herein in any manner that is consistent with section 404(k) of the Code and other applicable provisions of the Code and ERISA. Notwithstanding any other provision of the Plan to the contrary, (i) the election to receive a cash payment of dividends on shares of Holdings Stock shall not apply to shares of Holdings Stock held in the Non-ESOP Holdings Stock Sub-Fund and (ii) all dividends reinvested in either the Non-ESOP Holdings Stock Sub-Fund or the ESOP Holdings Stock Sub-Fund shall be 100% vested and nonforfeitable at all times.

ARTICLE VI -DISTRIBUTIONS

6.1 **Distributions** . A Member's interest in the Trust Fund shall only be distributable as provided in this and the following Sections of this Article. A Member or Beneficiary who is eligible to receive a distribution under applicable Sections of this Article shall obtain an application for that purpose from the Administrative Committee and file with the Administrative Committee his application in writing on such form, furnishing such information as the Administrative Committee may reasonably require, including satisfactory proof of his age and that of his Spouse (if applicable) and any authority in writing that the Administrative Committee may request authorizing it to obtain pertinent information, certificates, transcripts and/or other records from any public office.

6.2 **Distributions on Death While an Employee** . If a Member dies while in the employ of a Controlled Group Member or, while performing "qualified military service" (as defined in Section 11.8), his entire Account, valued as of the Valuation Date coinciding with or next following the date on which the Death Beneficiary's application for distribution is received by the Administrative Committee, shall be paid to the Member's Death Beneficiary in a lump sum in cash within 60 days after such Valuation Date. Notwithstanding the foregoing, if the Member's Death beneficiary is his Spouse, such distribution shall be made no later than the date on which the Member would have attained age 70 ½, or if the Member's Death Beneficiary is not his Spouse, such distribution shall be made within the one year period commencing on the date of the Member's death.

6.3 **Distributions on Employment Severance** .

(1) Upon a Member's Employment Severance, the Member shall be eligible to elect the distribution of his entire Vested Interest, valued as of the Valuation Date specified in Subsection (3) of this Section, and it shall be paid to him pursuant to one of the following methods as the Member shall elect:

- (a) such amount shall be paid to him in a lump sum in cash, or
- (b) such amount shall be paid to him in cash in not more than 10 annual installments, as elected by the Member, with each annual installment being based on the value of the Member's Vested Interest in his Account on the Valuation Date immediately

preceding the date such installment is to be paid and being a fraction of such value, in which the numerator is one and the denominator is the total number of remaining annual installments to be made. Except as otherwise provided under any procedures implemented by the Administrative Committee, including any Member elections permitted by such procedures, installment distributions will be charged against the Sub-Accounts in the Member's Account on a pro-rata basis.

(2) An election by a Member pursuant to Subsection (1) of this Section may be made by the Member in writing on an application prescribed by the Administrative Committee pursuant to Section 6.1, signed by the Member and filed with the Administrative Committee and may be changed or revoked at any time before the date on which the Member's Account is to be paid or commence to be paid pursuant to Subsection (3) of this Section. Notwithstanding the previous sentence, a Member who begins to receive a distribution of his entire Vested Interest in annual installments pursuant to Subsection (1)(b) of this Section may elect at any time prior to his receipt of his entire Vested Interest to receive the remainder of his Vested Interest in a lump sum in cash. Such an election shall be made by the Member in writing on an application prescribed by the Administrative Committee pursuant to Section 6.1, signed by the Member and filed with the Administrative Committee.

(3) Distributions to a Member pursuant to this Section shall be based on the value of the Member's Vested Interest in his Account on the Valuation Date coinciding with or next following the later of (a) the date on which he files his application with the Administrative Committee pursuant to Section 6.1 or (b) his Employment Severance Date, and shall be paid or commence to be paid to the Member within 60 days after such Valuation Date.

(4) Notwithstanding any other provision of the Plan, if the value of a Member's Vested Interest on the Valuation Date coinciding with or next following his Employment Severance Date does not exceed \$1,000, such Vested Interest shall be paid to him in a lump sum in cash (or, if the value of the Member's Vested Interest on such Valuation Date is zero, shall be deemed to have been paid to him in a lump sum) within 60 days after such Valuation Date.

(5) In the case of a Member who incurs an Employment Severance, if any portion of the Member's Account is not nonforfeitable under Section 1.1(88), that portion shall be forfeited as of the earlier of (a) the Valuation Date specified in Subsection (3) (if payment is made in the form of a lump sum) or Subsection (4) of this Section, as applicable and (b) the Valuation Date

coinciding with or next following the date on which he incurs five consecutive 1-Year Breaks in Service. Amounts, if any, forfeited pursuant to this Subsection shall be used to pay expenses of administering the Plan or to reduce subsequent Employer Contributions, as determined by the Committee in its discretion. In the event of the termination of the Plan, any forfeiture not so applied at the time of such termination shall be returned to the Employers.

(6) If the Vested Interest of a Member who incurs an Employment Severance is paid (or deemed to be paid) to him in a lump sum, such Member's Years of Vesting Service to which such lump sum payment relates shall thereafter be disregarded for the purpose of determining his Vested Interest in the amount attributable to Employer Contributions included in such payment.

Notwithstanding the provisions of the immediately preceding sentence, however, if (a) such Member's Vested Interest is less than 100% of his Account, (b) he is rehired as an Employee before he incurs five consecutive 1-Year Breaks in Service and (c) he repays to the Trust Fund, not later than the earlier of (i) the end of the five-year period beginning with his date of rehire or (ii) the close of the first period of five consecutive 1-Year Breaks in Service incurred by him after such payment of his Vested Interest, an amount equal to such payment (including the amount attributable to his Member contributions included in such payment), (A) his said Years of Vesting Service to which such payment related shall be reinstated for all purposes of the Plan and (B) the amount of his Account shall be restored, as of the date of such repayment, to an amount equal to the sum of the amount paid to him and the amount forfeited under the preceding Subsections of this Section. For purposes of the preceding sentence, a Member whose Vested Interest was deemed to have been distributed to him at the time of his Employment Severance shall be deemed to have repaid such distribution upon his rehire as an Employee.

(7) If a Former Weartech Plan Participant who forfeited all or a portion of his interest under the Weartech Plan on account of a distribution (or deemed distribution) to him from the Weartech Plan prior to August 29, 2016 is reemployed as an Eligible Employee under this Plan on or after August 29, 2016 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Weartech Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Weartech Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five year period beginning with the date on which such Former Weartech Plan Participant is reemployed. If a Former Weartech Plan Participant who received a deemed distribution from

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the Weartech Plan prior to August 29, 2016 is reemployed as an Eligible Employee on or after August 29, 2016 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Weartech Plan Participant will be deemed to have immediately repaid such distribution to the Plan.

In the event of a repayment as described in this Subsection, the Former Weartech Plan Participant's Year of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Weartech Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Weartech Plan Participant's Account that is derived from Matching Employer Contributions and Weartech Prior Matching Contributions shall be 20% nonforfeitable on and after completion of two Years of Vesting Service and 100% nonforfeitable on and after completion of three Years of Vesting Service. The sources for restoration of the Former Weartech Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions. Notwithstanding any provision of the Weartech Plan, any forfeitures arising under the provisions of the Weartech Plan that have not been allocated or applied as of August 29, 2016 shall be used to pay expenses of administering the Plan or to reduce subsequent Employer Contributions, as determined by the Committee in its discretion.

(8) If a Former Harris Plan Participant who forfeited all or a portion of his interest under the Harris Plan on account of a distribution to him from the Harris Plan prior to August 1, 2017 is reemployed as an Eligible Employee under this Plan on or after August 1, 2017 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Harris Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Harris Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Harris Plan Participant is reemployed. If a Former Harris Plan Participant who received a deemed distribution from the Harris Plan prior to August 1, 2017 is reemployed as an Eligible Employee on or after August 1, 2017 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Harris Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Harris Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Harris Plan

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Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Harris Plan Participant's Account that is derived from Harris Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Harris Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions. Notwithstanding any provision of the Harris Plan, any forfeitures arising under the provisions of the Harris Plan that have not been allocated or applied as of August 1, 2017 shall be used to reduce subsequent Employer Contributions.

(9) If a Former Rimrock Plan Participant who forfeited all or a portion of his interest under the Rimrock Plan on account of a distribution (or deemed distribution) to him from the Rimrock Plan prior to January 1, 2020 is reemployed as an Eligible Employee under this Plan on or after January 1, 2020 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Rimrock Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Rimrock Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Rimrock Plan Participant is reemployed. If a Former Rimrock Plan Participant who received a deemed distribution from the Rimrock Plan prior to January 1, 2020 is reemployed as an Eligible Employee on or after January 1, 2020 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Rimrock Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Rimrock Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Rimrock Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Rimrock Plan Participant's Account that is derived from Rimrock Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Rimrock Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.

(10) If a Former Wolf Plan Participant who forfeited all or a portion of his interest under the Wolf Plan on account of a distribution (or deemed distribution) to him from the Wolf Plan prior to January 1, 2020 is reemployed as an Eligible Employee under this Plan on or after January 1, 2020 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Wolf Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Wolf Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Wolf Plan Participant is reemployed. If a Former Wolf Plan Participant who received a deemed distribution from the Wolf Plan prior to January 1, 2020 is reemployed as an Eligible Employee on or after January 1, 2020 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Wolf Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Wolf Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Wolf Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Wolf Plan Participant's Account that is derived from Wolf Prior Employer Contributions shall be shall be 100% nonforfeitable. The sources for restoration of the Former Wolf Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.

(11) If a Former Pro-Systems Plan Participant who forfeited all or a portion of his interest under the Pro-Systems Plan on account of a distribution (or deemed distribution) to him from the Pro-Systems Plan prior to January 15, 2021 is reemployed as an Eligible Employee under this Plan on or after January 15, 2021 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Pro-Systems Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Pro-Systems Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Pro-Systems Plan Participant is reemployed. If a Former Pro-Systems Plan Participant who received a deemed distribution from the Pro-Systems Plan prior to January 15, 2021 is reemployed as an Eligible Employee on or after January 15, 2021 but prior to incurring five consecutive 1-Year Breaks in

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Service, such Former Pro-Systems Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Pro-Systems Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Pro-Systems Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Pro-Systems Plan Participant's Account that is derived from Pro-Systems Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Pro-Systems Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.

(12) If a Former Techalloy Plan Participant who forfeited all or a portion of his interest under the Techalloy Plan on account of a distribution (or deemed distribution) to him from the Techalloy Plan prior to April 25, 2022 is reemployed as an Eligible Employee under this Plan on or after April 25, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Techalloy Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Techalloy Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Techalloy Plan Participant is reemployed. If a Former Techalloy Plan Participant who received a deemed distribution from the Techalloy Plan prior to April 25, 2022 is reemployed as an Eligible Employee on or after April 25, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Techalloy Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Techalloy Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Techalloy Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Techalloy Plan Participant's Account that is derived from Techalloy Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Techalloy Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.

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(13) If a Former Tennessee Rand Plan Participant who forfeited all or a portion of his interest under the Tennessee Rand Plan on account of a distribution (or deemed distribution) to him from the Tennessee Rand Plan prior to April 29, 2022 is reemployed as an Eligible Employee under this Plan on or after April 29, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Tennessee Rand Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Tennessee Rand Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Tennessee Rand Plan Participant is reemployed. If a Former Tennessee Rand Plan Participant who received a deemed distribution from the Techalloy Plan prior to April 29, 2022 is reemployed as an Eligible Employee on or after April 29, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Tennessee Rand Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Tennessee Rand Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Tennessee Rand Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Tennessee Rand Plan Participant's Account that is derived from Tennessee Rand Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Tennessee Rand Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.

(14) If a Former Wayne Trail Plan Participant who forfeited all or a portion of his interest under the Wayne Trail Plan on account of a distribution (or deemed distribution) to him from the Wayne Trail Plan prior to May 2, 2022 is reemployed as an Eligible Employee under this Plan on or after May 2, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Wayne Trail Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Wayne Trail Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Wayne Trail Plan Participant is reemployed. If a Former Wayne Trail Plan Participant who received a deemed distribution from

the Wayne Trail Plan prior to May 2, 2022 is reemployed as an Eligible Employee on or after May 2, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Wayne Trail Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Wayne Trail Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Wayne Trail Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Wayne Trail Plan Participant's Account that is derived from Wayne Trail Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Wayne Trail Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.

6.4 **Distributions on Death after Employment Severance** . If a Member dies after his Employment Severance and before his entire Vested Interest has been paid to him, the undistributed portion of his Vested Interest valued as of the Valuation Date described in Section 6.2, shall continue to be paid to his Death Beneficiary in the same manner as it was being paid to the Member, or if the Death Beneficiary so elects, shall be paid in a lump sum in cash within 60 days after the Valuation Date coinciding with or next following the date on which the Death Beneficiary makes such election. That portion of such Member's Account that is not nonforfeitable under Section 1.1(88) shall be forfeited as of the date of his death and such forfeited amount shall be applied as provided in Section 6.3(5).

6.5 **Distributions Pursuant to a QDRO**. If a qualified domestic relations order (as defined in section 414(p) of the Code) so provides, the portion of a Member's Account payable to the alternate payee(s) may be distributed to the alternate payee(s) at the time specified in such order, regardless of whether the Member is entitled to a distribution from the Plan at such time. The portion of the Account so payable shall be valued as of the Valuation Date coincident with or next following the date specified in such order.

6.6 **Latest Time of Distribution** .

(1) The distribution of a Member's Vested Interest shall occur, or if such distribution is to take place over a period of time, such distribution shall begin, as provided in the preceding Sections of this Article, but (subject to the application requirements of Section 6.1) in no event later than 60 days after the close of the Plan Year in which the latest of the following events occur: (a) the date on which the Member attains age 60, (b) the 10th anniversary of the year in which the Member commenced membership in the Plan, or (c) the Member's termination of employment with the Controlled Group.

(2) Distributions Pursuant to Section 401(a)(9) of the Code.

(a) Definitions. For the purposes of this Section, the following terms, when used with initial capital letters, shall have the following respective meanings:

(i) Designated Beneficiary: The person who is designated as the Beneficiary as defined in the Plan and is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-4, Q&A-1, of the Treasury Regulations.

(ii) Distribution Calendar Year: A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 6.6(2)(c). The required minimum distribution for the Member's first Distribution Calendar Year will be made on or before the Member's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Member's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

(iii) Life Expectancy: Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury Regulations.

(iv) Member's Account Balance: The Account balance as of the last Valuation Date in the calendar year immediately preceding the Distribution

Calendar Year (the “Valuation Calendar Year”) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account balance as of dates in the Valuation Calendar Year after the Valuation Date and decreased by distributions made in the Valuation Calendar Year after the Valuation Date. The Account balance for the Valuation Calendar Year includes any amounts rolled over or transferred to the Plan either in the Valuation Calendar Year or in the Distribution Calendar Year if distributed or transferred in the Valuation Calendar Year.

(v) Required Beginning Date: The applicable date specified in Section 6.6(2)(c) below.

(b) General Rules. Notwithstanding any provision of the Plan to the contrary, all distributions under the Plan shall be made in accordance with this Section and the Treasury Regulations issued under section 401(a)(9) of the Code, provided that this Section and such Regulations shall override the other distribution provisions of the Plan only to the extent required by the provisions of section 401(a)(9) of the Code and such Regulations.

(c) Time of Distribution.

(i) The Member’s entire Vested Interest will be distributed, or begin to be distributed, to the Member no later than the Member’s Required Beginning Date. Except as described in (ii) below, the Required Beginning Date of a Member who is a 5% owner (as defined in section 416 of the Code) shall be the April 1 of the calendar year following the calendar year he attains age 70½ and the Required Beginning Date of any other Member shall be the April 1 of the calendar year following the later of (A) the calendar year he terminates employment or (B) the calendar year he attains age 70½.

(ii) If the Member dies before distributions begin, the Member’s entire Vested Interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Member’s surviving Spouse is the Member’s sole Designated Beneficiary, then, unless the election described in (iv) below is made, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the

Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.

(B) If the Member's surviving Spouse is not the Member's sole Designated Beneficiary, then, unless the election described in (iv) below is made, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(C) If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire Vested Interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(D) If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse begin, this Section 6.6(2)(c)(ii), other than subparagraph (A), will apply as if the surviving Spouse were the Member.

(iii) For purposes of this Section, unless subparagraph (D) of Section 6.6(2)(c)(ii) applies, distributions are considered to begin on the Member's Required Beginning Date. If subparagraph (D) of Section 6.6(2)(c)(ii) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under subparagraph (A) of Section 6.6(2)(c)(ii).

(iv) Notwithstanding the foregoing, if a Member dies before distributions begin and there is a Designated Beneficiary, distribution to the Designated Beneficiary is not required to begin by the Required Beginning Date specified above if the Member or the Beneficiary elects, on an individual basis, that the Member's entire Vested Interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Member's death; provided, however, that if the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to either the Member or the surviving Spouse begin, this election will apply as if the surviving Spouse were the Member. The

election provided in this Section 6.6(2)(c)(iv) must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin, or by September 30 of the calendar year that contains the fifth anniversary of the Member's (or, if applicable, surviving Spouse's) death.

(d) Required Minimum Distributions During Member's Lifetime.

(i) During the Member's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(A) the quotient obtained by dividing the Member's Account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's age as of the Member's birthday in the Distribution Calendar Year; or

(B) if the Member's sole Designated Beneficiary for the Distribution Calendar Year is the Member's Spouse, the quotient obtained by dividing the Member's Account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the Distribution Calendar Year.

(ii) Required minimum distributions will be determined under this Section 6.6(2)(d) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Member's date of death.

(e) Required Minimum Distributions After Member's Death.

(i) Death on or after date distributions begin:

(A) If the Member dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Member's Account balance by the longer of the remaining Life Expectancy of the Member or the remaining Life Expectancy of the Member's Designated Beneficiary, determined as follows:

(I) The Member's remaining Life Expectancy is calculated using the age of the Member in the year of death, reduced by one for each subsequent year.

(II) If the Member's surviving Spouse is the Member's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Member's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(III) If the Member's surviving Spouse is not the Member's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Member's death, reduced by one for each subsequent year.

(B) If the Member dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Member's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Member's Account balance by the Member's remaining Life Expectancy calculated using the age of the Member in the year of death, reduced by one for each subsequent year.

(ii) Death before date distributions begin:

(A) If the Member dies before the date distributions begin and there is a Designated Beneficiary, then, unless the election described in Section 6.6(2)(c)(iv) above is made, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the

Member's death is the quotient obtained by dividing the Member's Account balance by the remaining Life Expectancy of the Member's Designated Beneficiary, determined as provided in Section 6.6(2)(e)(i).

(B) If the Member dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire Vested Interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(C) If the Member dies before the date distributions begin, the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 6.6(2)(c)(ii), this Section 6.6(2)(e)(ii) will apply as if the surviving Spouse were the Member.

6.7 **Withdrawals** .

(1) Withdrawals on Account of Hardship. A Member who is an Employee and who has obtained all distributions and withdrawals (including distributions of dividends from his ESOP Account under section 404(k) of the Code but not Hardship distributions) then available under all plans maintained by the Controlled Group may request, on a form provided by and filed with the Committee, a withdrawal on account of Hardship of all or a part of his Vested Interest in the following Sub-Accounts (including earnings thereon): Rollover Contributions Sub-Account (excluding the Roth Rollover Contributions Sub-Account), Before-Tax Contributions Sub-Account, Matching Employer Contributions Sub-Account, Nonelective Employer Contributions Sub-Account, Transitional Employer Contributions Sub-Account, Prior ESOP Contributions Sub-Account, Weartech Prior Matching Contributions Sub-Account, FSP Contributions Sub-Account, FSP Plus Contributions Sub-Account, Harris Prior Employer Contributions Sub-Account, Roth Rollover Contributions Sub-Account, Roth Contributions Sub-Account, Rimrock Prior Employer Contributions Sub-Account, Wolf Prior Employer Contributions Sub-Account and Pro-Systems Prior Employer Contributions Sub-Account. Upon making a determination that the Member is entitled to a withdrawal on account of Hardship, the Committee shall direct the Trustee to distribute to such Member the amount requested and charge the amount of the withdrawal to the Member's

Sub-Accounts in the order set forth in the preceding sentence, provided, however, that the amount of the withdrawal shall not be in excess of the amount necessary to alleviate such Hardship. Further, no Hardship withdrawal pursuant to this Section 6.7(1) shall be permitted unless the Member provides the Committee a representation in writing, or in such other form permitted by the Committee, that the Member has insufficient cash or other liquid assets reasonably available to satisfy the Hardship and the Committee does not have actual knowledge that is contrary to the representation. If, as of December 31, 2019, a Former Rimrock Plan Participant or Former Wolf Plan Participant's elective deferrals under the Rimrock Plan or Wolf Plan, as applicable, were suspended for a period of six months following receipt of a hardship withdrawal, such suspension shall cease to apply effective January 1, 2020, and such a Former Rimrock Plan Participant or Former Wolf Plan Participant who desires to resume having Before-Tax Contributions and/or Roth Contributions made for him may do so, as of any Valuation Date on or after January 1, 2020, if he is then an Eligible Employee and he enrolls as a contributing Member pursuant to Sections 2.2(1) and 3.1.

(2) Withdrawals upon Attainment of Age 59 ½. A Member who is an Employee and who is at least age 59 ½ may request, on a form provided by and filed with the Committee, a withdrawal of all or a part of his Vested Interest in his Account. Any such partial withdrawal shall be charged pro-rata to the Sub-Accounts maintained under the Member's Account.

(3) Withdrawals of Rollover Contributions. A Member who is an Employee may request, on a form provided by and filed with the Committee, a withdrawal of all or any part of his Rollover Contributions Sub-Account. Any such partial withdrawal shall be charged pro-rata to the non-Roth Rollover Contributions Sub-Account and the Roth Rollover Contributions Sub-Account under the Member's Account.

(4) Withdrawals upon incurrence of a Disability. A Member, who is an Employee and who incurs a Disability, may request, on a form provided by and filed with the Committee, a withdrawal of all or a part of his Vested Interest in his Account. Any such partial withdrawal shall be charged pro-rata to the Sub-Accounts maintained under the Member's Account. For purposes of this Section, a Member is disabled on the date the Committee determines the Member satisfies the definition of Disability. The Committee may require a Member who is a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems

Plan Participant or Former Tennessee Rand Plan Participant to submit to a physical examination in order to confirm the Member's Disability.

(5) Withdrawals by Certain Former Employees and Certain Beneficiaries. A Member, who is a former Employee and either (i) a Former Harris Plan Participant or (ii) a Former Tennessee Rand Plan Participant, may request, on a form provided by and filed with the Committee, a withdrawal of a portion of his Vested Interest in his Account. A Member who is a former Employee and a Former Pro-Systems Plan Participant, or a Beneficiary of such a Member, may request, on a form provided by and filed with the Committee, a withdrawal of a portion of his Vested Interest in his Account. Any such withdrawal shall be charged pro-rata to the Sub-Accounts maintained under the Member's or Beneficiary's Account.

(6) Withdrawals upon Attainment of Age 40 for Certain Participants. A Member, who is an Employee, is at least age 40 and is a Former Rimrock Plan Participant or a Former Wolf Plan Participant, may request, on a form provided by and filed with the Committee, a withdrawal of all or a portion of his Vested Interest in his Account attributable to matching employer contributions or nonelective employer contributions, if any, made to the Rimrock Plan or the Wolf Plan, as applicable.

(7) Withdrawals made pursuant to this Section may be made, effective as of any Valuation Date, upon such prior notice as may be required by the Administrative Committee. Withdrawals made pursuant to this Section shall be in an amount not less than any minimum amount established by the Administrative Committee.

6.8 **Effect of Five Consecutive 1-Year Breaks in Service on Vesting Service** . If a Member's Employment Severance occurs and he is subsequently rehired as an Employee after incurring five consecutive 1-Year Breaks in Service, Years of Vesting Service after such five-year period shall not be taken into account for the purpose of determining his Vested Interest in the amount attributable to Employer Contributions, Weartech Prior Matching Contributions, Harris Prior Employer Contributions, Rimrock Prior Employer Contributions, Wolf Prior Employer Contributions, Pro-Systems Prior Employer Contributions, Techalloy Prior Employer Contributions, Tennessee Rand Prior Employer Contributions or Wayne Trail Prior Employer Contributions allocated to his Account before such five-year period.

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6.9 **Transfers of Eligible Rollover Distributions** .

(1) If a Member, Spouse or a Beneficiary who is a designated beneficiary within the meaning of section 401(a)(9) of the Code (each of which are hereinafter referred to as the “distributee”) is eligible to receive a distribution from the Plan that constitutes an Eligible Rollover Distribution and the distributee elects to have all or a portion of such distribution paid directly to an “eligible retirement plan” (as defined in Subsection (3) of this Section) and specifies the eligible retirement plan to which the distribution is to be paid, such distribution (or portion thereof) shall be made in the form of a direct rollover to the eligible retirement plan so specified. A distributee may not elect a direct rollover of a portion of an Eligible Rollover Distribution unless the amount to be rolled over is at least \$500. A direct rollover is a payment made by the Plan to the eligible retirement plan so specified for the benefit of the distributee. Notwithstanding the preceding provisions of this Section, a direct rollover of an Eligible Rollover Distribution shall not be made if a distributee’s Eligible Rollover Distributions for a Plan Year are reasonably expected to total less than \$200.

(2) The Company shall prescribe reasonable procedures for elections to be made pursuant to this Section. Within a reasonable period of time (as prescribed by Treasury regulations or rulings) before the payment of an Eligible Rollover Distribution, the Company shall provide a written notice to the distributee describing his or her rights under this Section and such other information required to be provided under section 402(f) of the Code. Unless otherwise specifically provided herein, for purposes of this Section, the term “Spouse” shall include a former spouse who is an alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.

(3) For purposes of this Section, the term “eligible retirement plan” means an individual retirement account or annuity described in section 408 of the Code, a defined contribution plan that meets the requirements of section 401(a) of the Code and accepts rollovers, an annuity plan described in section 403(a) of the Code, an annuity contract described in section 403(b) of the Code, an eligible plan described in section 457(b) of the Code that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state and that agrees to separately account for amounts transferred into such plan from this Plan, a Roth IRA described in section 408A(b) of the Code, or any other type of plan that is included within the definition of “eligible retirement plan” under section 401(a)(31)(E) of

the Code. The preceding definition of “eligible retirement plan” shall apply in the case of a distribution to a Spouse after a Member’s death, or to a Spouse or former spouse who is an alternate payee. However, in the case of a distributee other than the Member, Spouse or former Spouse who is an alternate payee, the term ‘eligible retirement plan’ shall mean only an individual retirement account or annuity described in section 408 of the Code.

(4) Notwithstanding the foregoing, an Eligible Rollover Distribution from a Roth Contributions Sub-Account or Roth Rollover Contributions Sub-Account will only be made to another designated Roth account (as defined in section 402A of the Code) under an applicable retirement plan described in section 402A(e)(1) of the Code or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

6.10 **Distribution of Holdings Stock** .

(1) Notwithstanding the preceding provisions of this Article, a Member or Beneficiary who is eligible to receive a distribution pursuant to this Article VI (other than a Hardship withdrawal pursuant to Section 6.7(1)) may elect to receive that portion of his distribution that is attributable to his interest in the Holdings Stock Fund in the form of whole shares of Holdings Stock with any fractional shares of Holdings Stock in cash. This distribution option applies to Holdings Stock held in either a Member’s ESOP Account or in the Non-ESOP Account.

(2) In accordance with sections 409(h)(4), (5) and (6) of the Code, if the Holdings Stock is or becomes not readily tradable on an established market, then any Member who is otherwise entitled to a total distribution from the Plan shall have the non-terminable right (hereinafter referred to as the “Put Option”) to require that his Holdings Stock be repurchased by the Company. The Trustee may elect to repurchase such Holdings Stock, in lieu of the Company. The Put Option shall only be exercisable during the sixty-day (60) period immediately following the date of distribution, and if the Put Option is not exercised within such sixty-day (60) period, it can be exercised for an additional sixty (60) days in the following Plan Year. The amount paid for Holdings Stock pursuant to the exercise of a Put Option as part of a lump sum distribution shall be paid in substantially equal periodic payments (not less frequently than annually) over a period beginning not later than thirty (30) days after the request for total distribution and not exceeding five (5) years. There shall be adequate security provided and reasonable interest paid on an unpaid

balance due under this paragraph. If the Company is required to repurchase Holdings Stock as part of an installment distribution, the amount to be paid for Holdings Stock will be paid not later than thirty (30) days after the exercise of the Put Option.

6.11 **Transfers of Assets from this Plan to Other Plans.** The Trustee shall, at the direction of the Company, transfer amounts held under this Plan to a trust held under another plan that meets the requirements of sections 401(a) and 501(a) of the Code; provided that such transfer satisfies the requirements of sections 414(l) and 411(d)(6) of the Code and Treasury regulations issued thereunder.

6.12 **Distributions to Certain Individuals Performing Military Service**

(1) To the extent permitted by section 414(u)(12)(B) of the Code, a Member shall be treated as having had an Employment Severance during any period that the Member is performing services in the uniformed services (as defined in section 3401(h)(2)(A) of the Code) on active duty for a period of more than 30 days, and may elect to receive a distribution of all or a portion of his Before-Tax Contributions Sub-Account and Roth Contributions Sub-Account. A Member who receives a distribution from the Plan by reason of this Section shall have his Before-Tax Contributions and Roth Contributions suspended for a period of 6 months beginning on the date of distribution. Any such distribution of a portion of the Member's Before-Tax Contributions and Roth Contributions shall be charged pro-rata to the Member's Before-Tax Contributions Sub-Account and Roth Contributions Sub-Account.

(2) A Member who is an Employee and is ordered or called to active duty may elect a Qualified Reservist Distribution. A "Qualified Reservist Distribution" is any distribution, if (a) the distribution is from amounts attributable to Before-Tax Contributions and/or Roth Contributions; (b) the Member was, by reason of being a member of a reserve component, as defined in section 101 of Title 37 of the United States Code, ordered or called to active duty for a period in excess of 179 days or for an indefinite period; and (c) such distribution is made during the period beginning on the date of such order or call, and ending at the close of the Member's active duty period. Any such distribution of a portion of the Member's Before-Tax Contributions and Roth Contributions shall be charged pro-rata to the Member's Before-Tax Contributions Sub-Account and Roth Contributions Sub-Account.

ARTICLE VII -ADMINISTRATION OF THE TRUST FUND

7.1 **The Trust Fund** . The Trust Fund shall be held by the Trustee for the exclusive benefit of the Members and their Beneficiaries and shall be invested by the Trustee upon such terms and in such property as is provided in the Plan and in the Trust Agreement. The Trustee shall, from time to time, make payments, distributions and deliveries from the Trust Fund as provided in the Plan. The Trustee in its relation to the Plan shall be entitled to all of the rights, privileges, immunities and benefits conferred upon it and shall be subject to all of the duties imposed upon it under the Plan and Trust Agreement. The Trust Agreement is hereby incorporated in the Plan by reference, and each Employer, by adopting the Plan, affirms the authority of the Company to execute the Trust Agreement (including any amendment or supplement thereto) in its behalf with respect to the Plan.

7.2 **No Guarantee Against Loss** .

(1) Neither the Trustee, the Administrative Committee, the Investment Committee, any investment manager nor any Employer in any manner guarantees the Trust Fund or any part thereof against loss or depreciation. All persons having any interest in the Trust Fund shall look solely to the Trust Fund for payment with respect to such interest.

(2) Neither the Company, the Investment Committee, the Administrative Committee, any Employer, the Trustee, nor any officer or employee of any of them is authorized to advise a Member or Beneficiary as to the manner in which contributions to the Plan and income thereon should be invested or reinvested. The selection of the Investment Fund(s) in which a Member or Beneficiary participates is his sole responsibility (or, to the extent that a Member or Beneficiary participates in the managed account service under Section 5.5(5), the responsibility of the investment manager) and the fact that designated Investment Funds are made available under the Plan shall not be construed as a recommendation for the investment of contributions hereunder in all or any of such Funds.

(3) Any decision by a Member or Beneficiary to invest in any Investment Fund or to request a loan shall constitute an exercise of control over the assets allocated to his Account (to the extent of such exercise of control) within the meaning of ERISA section 404(c) and each Member or Beneficiary who so exercises such control shall, by such exercise, release and agree, on his behalf and on behalf of his heirs and beneficiaries, to indemnify and hold harmless the

Company, Trustee, each Employer, the Investment Committee and the Administrative Committee, and any officer or employee of any of the them, from and against any claim, demand, loss, liability, costs or expense (including reasonable attorney's fees) caused by or arising out of such exercise, including without limitation, any diminution in value or losses incurred from such exercise.

7.3 **Payment of Benefits** . All payments of benefits provided for by the Plan shall be made solely out of the Trust Fund in accordance with instructions given to the Trustee by the Administrative Committee pursuant to the terms of the Plan, and neither any Employer, the Administrative Committee, the Investment Committee, any investment manager nor the Trustee shall be otherwise liable for any benefits payable under the Plan.

7.4 **No Diversion of Trust Fund** . Except as specifically provided in other Sections of the Plan, it shall be and is hereby made impossible, at any time prior to the satisfaction of all liabilities with respect to Employees and their Beneficiaries under the Plan, for any part of the corpus or income of the Trust Fund to be (within the taxable year or thereafter) used for, or diverted to, purposes other than the exclusive benefit of Employees or their Beneficiaries.

ARTICLE VIII -COMMITTEES

8.1 **Composition of Committees.** The Administrative Committee and the Investment Committee shall each consist of three or more members who may be, but are not required to be, Members, Employees or directors of an Employer. The members of the Administrative Committee and the Investment Committee and their successors shall be appointed by the Board to serve for such terms as the Board may fix. Any member of the Administrative or Investment Committee may be removed at any time by the Board, which may also increase, or decrease to not less than three, the number of Committee members. Any member of the Administrative or Investment Committee may resign by delivering his written resignation to the Board. Upon the existence of any vacancy in the membership of the Administrative or Investment Committee, the Board shall appoint a successor, unless the number of Committee members is decreased as provided in this Section.

8.2 **Certification of Members** . The Company shall certify the number and names of the members of the Administrative Committee and the Investment Committee to the Trustee. The Trustee may rely upon such certification until it receives written notice from the Company as to a change in the membership of the Administrative or Investment Committee.

8.3 **Formalities of Committee Action** . The Administrative Committee and the Investment Committee may adopt, and amend from time to time, such rules for its government and the conduct of its business as it deems advisable, including a rule authorizing one or more of its members or its officers to execute instruments on its behalf evidencing its action and the Trustee and any other persons may rely on any instrument signed by such a person or persons so authorized as properly evidencing the action of the Committee. The Administrative or Investment Committee may from time to time, by resolution adopted by it, delegate to one or more of its members or officers, to a sub-committee or sub-committees or to an agent or agents of the Committee, such of the Committee's functions and duties as the Committee deems advisable. The Administrative or Investment Committee shall each elect its Chairman from its membership, and may elect other officers who need not be Committee members. Except as may otherwise be provided by rules or procedures adopted by the Committee, the Administrative and Investment Committees may each act by majority action either at a meeting or in writing without a meeting and any action that

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purports to be an action of the Committee and that is evidenced by the signatures of a majority of the members of the Committee shall be deemed to be the action of the Committee.

8.4 **Administrative Committee Rules/Actions** . The Administrative Committee may from time to time adopt rules for the administration of the Plan. Such rules may be amended by the Administrative Committee from time to time, but such rules, as the same may be amended, (a) insofar as they apply to the rights of Members, shall be uniform in their application to all Members who are similarly situated and (b) shall not be inconsistent with the terms of the Plan or Trust Agreement. All action taken by the Administrative Committee under the Plan shall treat all persons similarly situated in a uniform and consistent manner.

8.5 **Functions and Duties of Administrative Committee** .

(1) The Administrative Committee shall have such functions and duties and only such functions and duties as are specifically conferred upon it by the Plan or the Trust Agreement or as may be delegated to it pursuant to Section 10.3. A member of the Administrative Committee shall not be disqualified from acting because of any interest, benefit or advantage, inasmuch as Committee members may be directors of an Employer, Employees or Members, but no Committee member shall vote or act in connection with the Committee's action relating solely to himself. Except as may be required by law, no bond or other security need be required of any member of the Administrative Committee in such capacity in any jurisdiction.

(2) The Administrative Committee shall have sole and absolute discretion to interpret the provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to make factual findings with respect to any issue arising under the Plan, to determine the rights and status under the Plan of Members or other persons, to decide disputes arising under the Plan and to make any determinations and findings (including factual findings) with respect to the benefits payable thereunder and the persons entitled thereto as may be required for the purposes of the Plan. In furtherance of, but without limiting, the foregoing, the Administrative Committee is hereby granted the following specific authorities, which it shall discharge in its sole and absolute discretion in accordance with the terms of the Plan (as interpreted, to the extent necessary, by the Administrative Committee):

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- (a) To resolve all questions (including factual questions) arising under the provisions of the Plan as to any individual's entitlement to become a Member;
- (b) To determine the amount of benefits, if any, payable with respect to any person under the Plan (including, to the extent necessary, making any factual findings with respect thereto);
- (c) To determine the amount of an Employee's Compensation; and
- (d) To conduct the review procedures specified in Sections 9.3 and 9.4.

All decisions of the Administrative Committee as to the facts of any case, as to the interpretation of any provision of the Plan or its application to any case, and as to any other interpretation, matter or other determination or question under the Plan shall be final and binding on all parties affected thereby subject to the provisions of Sections 8.7, 9.3 and 9.4. The Administrative Committee shall instruct the Trustee as to the benefits to be paid under the Plan and shall furnish the Trustee with any information reasonably required by it for the purpose of the payment of such benefits.

(3) The Administrative Committee may employ such clerical, legal, accounting or other assistance as it deems necessary or advisable for the proper performance of its functions and duties under the Plan.

8.6 **Reliance on Records** . The Administrative Committee may rely upon the records of a Controlled Group Member or upon any certificate, statement or other representation made to it by an Employee, a Member, a Beneficiary, a Controlled Group Member, an auditor or the Trustee concerning any fact required to be determined under any of the provisions of the Plan and shall not be required to make inquiry into the propriety of any action by an Employer, an auditor or the Trustee.

8.7 **Revocability of Administrative Committee Action** . Any action taken by the Administrative Committee with respect to the rights or benefits of any person under the Plan shall be revocable by the Administrative Committee as to payments or distributions not theretofore made, pursuant to such action, from the Trust Fund; and appropriate adjustments may be made in future payments or distributions to a Member or his Beneficiary to offset any excess payment or underpayment theretofore made to such Member or his Beneficiary from the Trust Fund.

8.8 **Responsibilities of Investment Committee** .

(1) The Investment Committee shall have such responsibilities and authority and only such responsibilities and authority as are specifically conferred upon it by the Plan or Trust Agreement or as may be delegated to it pursuant to Section 10.3. Except as may be required by law, no bond or other security need be required of any member of the Investment Committee in such capacity in any jurisdiction.

(2) The Investment Committee shall have the responsibilities and authority set forth in the Plan and the Trust Agreement, including, but not limited to, the responsibility and authority to:

- (a) monitor the performance of the Trustee,
- (b) select the Investment Funds to be made available pursuant to Section 5.1,
- (c) pursuant to Section 5.5, to select the Investment Fund or Funds that will apply in the absence of a Member's direction,
- (d) designate the person or persons (including the Investment Committee, the Trustee or an investment manager) who will have discretionary investment authority regarding the assets of the Investment Funds, and
- (e) to perform the duties specified in Article XIV with respect to Holdings Stock.

8.9 **Compensation and Expenses** . The members of the Administrative and Investment Committees shall serve without compensation for their services as Committee members unless the Company shall provide for compensation for such services. The reasonable expenses of the Administrative and Investment Committees shall be paid as provided in Section 12.2.

ARTICLE IX -CLAIMS PROCEDURES

9.1 **Method of Filing Claim** . Any Member or Beneficiary who believes that he is entitled to receive a benefit under the Plan that he has not received may file with the Administrative Committee a written claim specifying the basis for his claim and the facts upon which he relies in making such claim. Such a claim must be signed by the claimant or his authorized representative and shall be deemed filed when delivered to any member of the Administrative Committee.

9.2 **Notification to Claimant** . Unless such claim is allowed in full by the Administrative Committee, the Committee shall (within 90 days after such claim was 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 shall be rendered is given within the first 90 day period) cause written notice to be mailed to the claimant of the total or partial denial of such claim. Such notice shall be written in a manner calculated to be understood by the claimant and shall state (1) the specific reason(s) for the denial of the claim, (2) specific reference(s) to pertinent provisions of the Plan and/or Trust Agreement on which the denial of the claim was based, (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (4) a description of the Plan's review procedure specified in Section 9.3 including the time limits applicable to such procedure and a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

9.3 **Review Procedure** . Within six months after the denial of his claim, the claimant or his duly authorized representative may appeal such denial by filing with the Administrative Committee his written request for a review of his said claim. If the claimant does not file such request with the Administrative Committee within such six month period, the claimant shall be conclusively presumed to have accepted as final and binding the initial decision of the Administrative Committee on his claim. If such an appeal is so filed within such six months, a Named Fiduciary designated by the Company shall conduct a full and fair review of such claim. During such full and fair review, the claimant shall 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 the claimant's claim for benefits. In addition, such full and fair review shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial decision. The Administrative Committee shall mail or deliver to the claimant 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 shall be furnished to the claimant setting forth the special circumstances requiring an extension of time and the date by which the Named Fiduciary expects to render a decision, and shall be furnished prior to the termination of the initial 60 day period. In no event shall such 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 (a) shall be written in a manner calculated to be understood by the claimant, (b) shall state the specific reason(s) for the decision, (c) shall make specific reference(s) to pertinent provisions of the Plan and/or Trust Agreement on which the decision is based, (d) shall contain a statement that the claimant is entitled to receive, upon request, and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (e) shall contain a statement describing any voluntary appeal procedures offered by the Plan including the claimant's right to bring an action under section 502(a) of ERISA. To the extent permitted by applicable law, the decision on review shall be final and binding on all interested persons. The Named Fiduciary appointed to conduct the review procedure set forth in this Section shall have the same powers to interpret the Plan and make factual findings with respect thereto as are granted to the Administrative Committee under Section 8.5.

9.4 **Disability Claims and Review Procedure for Former Weartech, Rimrock, Wolf, Pro-Systems and Tennessee Rand Plan Participants** . Notwithstanding any other provision of this Article IX to the contrary, in the case of a determination of Disability (other than pursuant to the Federal Social Security Act) involving a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant or Former

Tennessee Rand Plan Participant, the following claims procedures and review procedures shall apply on or after April 1, 2018:

(a) In the case of such a Disability determination, if a claim is wholly or partially denied by the Administrative Committee, the Administrative Committee shall, within a reasonable period of time, but not later than 45 days (unless such period is extended as provided in the following paragraph) after receipt of the claim by the Plan, notify the claimant in writing of such denial. Such notice shall be written in a manner calculated to be understood by the claimant and shall (1) state the specific reason(s) for the denial of the claim; (2) make references to the specific provisions of the Plan and/or Trust Agreement on which the denial of the claim is based; (3) contain a description of any additional material or information necessary for the claimant to perfect his claim and an explanation of why it is necessary; (4) contain a description of the Plan's review procedures, and the time limits applicable to such procedures, including a statement of the claimant's rights to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review; (5) include either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (6) include a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (i) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant, (ii) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination, and (iii) a disability determination made by the Social Security Administration regarding the claimant and presented by the claimant to the Plan; (7) if the adverse benefit determination is based on medical necessity or experimental treatment or a similar exclusion or limit, include either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge to the claimant upon request; and (8) contain a statement that the claimant is entitled to

receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits.

(b) The 45-day period set forth above may be extended by the Administrative Committee for up to 30 days, *provided* that the Administrative Committee determines that such an extension is necessary due to matters beyond the control of the Administrative Committee and notifies the claimant, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Administrative Committee expects to render a decision. Additionally, if, prior to the end of the first 30-day extension period, the Administrative Committee determines that, due to matters beyond the control of the Administrative Committee, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, *provided* that the Administrative Committee notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Administrative Committee expects to render a decision. In the event of any extension under this Section, the notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve the issues. The claimant shall be afforded at least 45 days within which to provide the specified information. Additionally, in the event that a period of time is extended due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(c) Notices will be provided to the claimant under this Section in a culturally and linguistically appropriate manner by (1) providing services that include answering questions and providing assistance with filing claims and appeals in any applicable non-English language; (2) providing, upon request, a notice in any applicable non-English language; and (3) including in the English versions of all notices, a statement in any applicable non-English language indicating how to access the language services. With respect to an address in any county to which notice is sent, a non-English language is an "applicable non-English language" if 10% or more of the population residing in the county

is literate only in that non-English language, as determined in guidance published by the Secretary of the Department of Labor.

(d) Within 180 days after receipt of a notification of a denial of a claim, the claimant or his duly authorized representative may appeal such denial by filing with the Administrative Committee his written request for a review of his claim. If such an appeal is so filed within 180 days, a Named Fiduciary designated by the Company shall conduct a full and fair review of such claim. During such full and fair review, the claimant shall 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 the claimant's claim for benefits. In addition, such full and fair review shall (1) take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination; (2) not afford deference to the initial adverse benefit determination; (3) be conducted by a Named Fiduciary who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual; (4) provide that, in deciding any appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, the Named Fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment and who is neither the individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual; and (5) provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the initial benefit determination. Decisions regarding hiring, compensation, termination, promotion or other similar matters with respect to any claims personnel shall not be made based upon the likelihood that the individual will support the denial of benefits.

(e) Before the Plan can issue a denial of an appealed claim, as soon as possible and sufficiently in advance of the date of the notice of final adverse benefit determination, the Named Fiduciary will provide the claimant, free of charge, (1) with any new or

additional evidence considered, relied upon, or generated by the Plan (or at its direction) in connection with the claim; and (2) with any new or additional rationale on which the final adverse benefit determination is based, to give the claimant a reasonable opportunity to respond prior to the date the final adverse benefit determination is issued.

(f) The decision of the Named Fiduciary shall be made in a writing delivered to the claimant within a reasonable time, but in no event later than 45 days after the receipt of the request for review unless special circumstances require an extension of time for processing. If the Named Fiduciary determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant setting forth the special circumstances requiring an extension of time and the date by which the Named Fiduciary expects to render a decision on review, and shall be furnished prior to the termination of the initial 45-day period. In no event shall such extension exceed a period of 45 days from the end of the initial 45-day period.

(g) In the case of an adverse benefit determination on review, the notice of the determination shall (1) state the specific reasons for the determination; (2) make reference(s) to specific provisions of the Plan and/or Trust Agreement on which the determination is based; (3) contain a statement that the claimant is entitled to receive, upon request, and free of charge, reasonable access to, and copies of all documents, records, and other information relevant to the claimant's claim for benefits; (4) contain a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain information about such procedures and a statement of the claimant's right to bring an action under section 502(a) of ERISA, as well as a description of any applicable contractual limitations period that applies to the claimant's right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim; (5) include either the specific internal rules, guidelines, protocols, standards, or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards, or other similar criteria of the Plan do not exist; (6) include a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (i) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant, (ii) the views of medical or vocational experts

whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination, and (iii) a disability determination made by the Social Security Administration regarding the claimant and presented by the claimant to the Plan; and (7) if the adverse benefit determination is based on medical necessity or experimental treatment or a similar exclusion or limit, include either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(h) To the extent permitted by applicable law, the determination on review shall be final and binding on all interested persons. The Plan generally must strictly comply with its claims and appeals procedures; *provided, however*, that this strict compliance requirement will not be violated, and the claims and appeals process will not be deemed exhausted, if the violation of such procedures: (1) is de minimis; (2) does not cause, and is not likely to cause, prejudice or harm to the claimant; (3) was for good cause or due to matters beyond the control of the Plan; and (4) occurred in the context of an ongoing, good faith exchange of information between the Plan and the claimant (the "de minimis exception"). The claimant may request a written explanation of the violation from the Named Fiduciary, and the Named Fiduciary must provide such explanation within 10 days, describing why the violation should not cause the internal claims and appeals process to be deemed exhausted. If a court rejects the claimant's request for immediate review on the basis that the standards for the de minimis exception were satisfied, the claim shall be considered as re-filed on appeal upon the Plan's receipt of the court's decision. Within a reasonable time after receipt of the court's decision, the Plan will notify the claimant of the resubmission of the claim.

ARTICLE X -ADMINISTRATION OF THE PLAN
AND FIDUCIARY RESPONSIBILITIES

10.1 **Responsibility for Administration** . Except to the extent that particular responsibilities are assigned or delegated to other Fiduciaries pursuant to the Trust Agreement, other Articles of the Plan or Section 10.3, the Company (as the Administrator) shall be responsible for the administration of the Plan. Each other Fiduciary shall have only such powers, duties, responsibilities and authorities as are specifically conferred upon him or it pursuant to provisions of the Plan or Trust Agreement.

10.2 **Named Fiduciaries** . For the purposes of the Plan, the Named Fiduciaries shall be the Company, the Administrative Committee, the Investment Committee, the Trustee and the investment manager(s), if any. The Company may designate any other person or persons as a Named Fiduciary or Named Fiduciaries to perform functions specified in such instrument (or in a delegation pursuant to Section 10.3) that relate to the administration of the Plan, provided such designee accepts such designation. Such a designation may be terminated at any time by notice from the Company to the designee or by notice from the designee to the Company.

10.3 **Delegation of Fiduciary Responsibilities** .

(1) The Company, the Administrative Committee and the Investment Committee may each delegate to any person or persons any one or more powers, functions, duties and/or responsibilities with respect to the Plan or the Trust Fund.

(2) Any delegation pursuant to Subsection (1) of this Section, (a) shall be signed on behalf of the delegator, be delivered to and accepted in writing by the delegatee, (b) shall contain such provisions and conditions relating to such delegation as the delegator deems appropriate, (c) shall specify the powers, functions, duties and/or responsibilities therein delegated, (d) may be amended from time to time by written agreement signed on behalf of the delegator and by the delegatee and (e) may be revoked (in whole or in part) at any time by written notice from one party to the other. A fully executed copy of any instrument relating to any delegation (or revocation of any delegation) under the Plan shall be filed with each of the Named Fiduciaries.

NAI-1526973031v4 10.4 **Immunities** . Except as otherwise provided in Section 10.5 or by applicable law, (a) no Fiduciary shall have the duty to discharge any duty, function or responsibility that is specifically

assigned exclusively to another Fiduciary or Fiduciaries by the terms of the Plan or Trust Agreement or is delegated exclusively to another Fiduciary or Fiduciaries pursuant to procedures for such delegation provided for in the Plan or Trust Agreement; (b) no Fiduciary shall be liable for any action taken or not taken with respect to the Plan or Trust Fund except for his own negligence or willful misconduct; (c) no Fiduciary shall be personally liable upon any contract or other instrument made or executed by him or on his behalf in the administration of the Plan or Trust Fund; (d) no Fiduciary shall be liable for the neglect, omission or wrongdoing of another Fiduciary; and (e) any Fiduciary may rely and shall be fully protected in acting upon the advice of counsel, who may be counsel for any Controlled Group Member, upon the records of a Controlled Group Member, upon the opinion, certificate, valuation, report, recommendation or determination of the Auditor of a Controlled Group Member, or upon any certificate, statement or other representation made by an Employee, a Member, a Beneficiary or the Trustee concerning any fact required to be determined under any of the provisions of the Plan.

10.5 **Limitation on Exculpatory Provisions** . Notwithstanding any other provision of the Plan or Trust Agreement, no provision of the Plan or Trust Agreement shall be construed to relieve (or have the effect of relieving) any Fiduciary from any responsibility or liability for any obligation, responsibility or duty imposed on such Fiduciary by Part 4 of Title 1 of ERISA.

ARTICLE XI - MISCELLANEOUS

11.1 **Spendthrift Provisions** . No right or interest of any kind of a Member or Beneficiary in the Trust Fund shall be anticipated, assigned (either in law or equity), alienated or be subject to encumbrance, garnishment, attachment, execution or levy of any kind, voluntary or involuntary, or any other legal or equitable process, except in accordance with a qualified domestic relations order as defined in section 414(p) of the Code. The Administrative Committee shall establish procedures to determine the qualified status of domestic relations orders (“QDRO”) and to administer distributions under such qualified orders in accordance with section 414(p) of the Code. Notwithstanding any provision of the Plan to the contrary, the Plan shall honor a judgment, order, decree or settlement providing for the offset of all or a part of a Member’s benefit under the Plan, to the extent permitted under section 401(a)(13)(C) of the Code; provided that the requirements of section 401(a)(13)(C)(ii) of the Code relating to the protection of the Member’s Spouse (if any) are satisfied.

11.2 **Facility of Payment** . In the event the Administrative Committee finds that any Member or Beneficiary to whom a benefit is payable under the Plan is (at the time such benefit is payable) unable to care for his affairs because of physical, mental or legal incompetence, the Committee, in its sole discretion, may cause any payment due to him hereunder, for which prior claim has not been made by a duly qualified guardian or other legal representative, to be paid to the person or institution deemed by the Committee to be maintaining or responsible for the maintenance of such Member or Beneficiary; and any such payment shall be deemed a payment for the account of such Member or Beneficiary and shall constitute a complete discharge of any liability therefor under the Plan.

11.3 **No Enlargement of Employment Rights** . Nothing herein contained shall constitute or be construed as a contract of employment between any Employer and any Employee or Member and all Employees shall remain subject to discipline, discharge and layoff to the same extent as if the Plan had never gone into effect. An Employer by adopting the Plan, making contributions to the Trust Fund or taking any other action with respect to the Plan does not obligate itself to continue the employment of any Member or Employee for any period or, except as expressly provided in the Plan, to make any payments into the Trust Fund.

11.4 **Merger or Transfer of Assets** . The Company reserves the right to merge or consolidate this Plan with, and/or to transfer all or part of the assets of the Plan to, any other Plan, without the consent of any other Employer. However, there shall not be any merger or consolidation of the Plan with, or the transfer of assets or liabilities of the Plan to, any other plan, unless each Member of the Plan would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer that is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

11.5 **Action by Company** . Wherever the Company is authorized to act under the Plan (including but not limited to any delegation of its fiduciary powers and responsibilities under the Plan), such action shall be taken, unless otherwise provided in the Plan, by written instrument executed by an officer of the Company. The Trustee may rely on any instrument so executed as being validly authorized and as properly evidencing the action of the Company.

11.6 **Severability Provision** . If any provision of the Plan or Trust Agreement or the application thereof to any circumstance or person is invalid, the remainder of the Plan or Trust Agreement and the application of such provision to other circumstances or persons shall not be affected thereby.

11.7 **Correction of Errors**. Notwithstanding anything herein to the contrary, the Plan Administrator or the Administrative Committee may take such actions or permit such actions to be taken as are necessary and reasonably calculated to correct an administrative error made by an Employer, the Plan Administrator, the Committee, the Trustee or any other Fiduciary or administrator.

11.8 **Military Service** . Notwithstanding any provisions of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code. "Qualified military service" means any service in the uniformed services (as defined in chapter 43 of title 38 of the United States Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

11.9 **Recovery of Overpayments** . In the event of an erroneous payment or payment amount in excess of the Plan's obligation, the Plan may reduce future benefits by the amount of the error or may recover the excess directly from the person to or for whom the payment was made. This right of recovery does not limit the Plan's right to recover an erroneous payment in any other manner.

11.10 **Limitations on Investments and Transactions/Conversions** .

(1) The Plan Administrator, in its sole and absolute discretion, may temporarily suspend, in whole or in part, certain Plan transactions, including, without limitation, the right to change or suspend contributions, and/or the right to receive a distribution, loan or withdrawal from an Account in the event of any conversion, change in recordkeeper and/or Plan merger or spinoff.

(2) The Plan Administrator, in its sole and absolute discretion, may suspend, in whole or in part, temporarily or permanently, Plan transactions dealing with investments, including without limitation, the right of a Member to change investment elections or reallocate Account balances in the event of any conversion, change in recordkeeper, change in Investment Funds and/or Plan merger or spinoff.

(3) In the event of a change in Investment Funds and/or a Plan merger or spinoff, the Investment Committee, in its sole and absolute discretion, may decide to map investments from a Member's prior Investment Fund elections to the then available Investment Funds under the Plan. In the event that investments are mapped in this manner, the Member shall be permitted to reallocate funds among the Investment Funds (in accordance with the terms of the Plan and any relevant rules and procedures adopted for this purpose) after the suspension period described in Subsection (2) of this Section (if any) is lifted.

(4) Notwithstanding any provision of the Plan to the contrary, the Investment Funds shall be subject to, and governed by, all applicable legal rules and restrictions and the rules specified by the Investment Fund providers in the Fund prospectus(es) or other governing documents thereof (to the extent such rules and procedures are imposed and enforced by the Investment Fund provider against the Plan or a particular Member). Such rules, procedures and restrictions may limit the ability of a Member to make transfers into or out of a particular Investment Fund and/or may result in additional transaction fees or other costs relating to such transfers. In furtherance of, but without limiting the foregoing, the Trustee, recordkeeper, Plan

Administrator, Investment Committee or Investment Fund provider (or their delegate, as applicable) may decline to implement any investment election or instruction where it deems appropriate.

11.11 **Electronic Media** . Notwithstanding any provision of the Plan to the contrary, including any provision which requires the use of a written instrument, to the extent permitted by applicable law, the Committee may establish procedures for the use of electronic media in communications and transactions between the Plan or the Committee and Members and Beneficiaries. Electronic media may include, but are not limited to, e-mail, the Internet, intranet systems and telephonic response systems.

11.12 **Recipients Who Cannot Be Located** . In the event that the Administrative Committee is unable to locate a person entitled to payment of a benefit hereunder after sending a registered mail (or equivalent communication) to such person's address last known to his Employer and taking such other reasonable steps to locate such person (e.g., using electronic search tools and locater services), then such benefits shall be forfeited. Any such forfeitures shall not be applied to increase the benefits which Members might otherwise receive under the Plan, but shall be used to reduce the future Employer contributions to, or the administrative expenses of, the Plan. Notwithstanding the foregoing, in the event that any missing person who would have been entitled to receive benefits forfeited under this Section should subsequently make a claim for such benefits, then the forfeited benefits shall be reinstated and payment of the benefits which had previously been forfeited shall be made (without interest) to the party entitled to such benefits as soon as practicable after the missing person makes a claim therefor.

ARTICLE XII -OTHER EMPLOYERS

12.1 **Adoption by Other Employers** . The Employers under the Plan are the Company and those Employers listed on Exhibit A to the Plan. Any other Controlled Group Member may, with the consent of the Administrative Committee, adopt the Plan and thereby become an Employer hereunder by executing an Instrument of Adoption evidencing such adoption and filing a copy thereof with the Company. Such Instrument of Adoption shall (subject to such terms and conditions as the Committee may require or approve) become incorporated in the Plan by reference. Further, such Instrument of Adoption may include such terms and conditions as the Committee requires or approves, including without limitation terms regarding the level of Matching Employer Contributions to be made by the Employer, if any. By their adoption of the Plan, Employers other than the Company shall be deemed to consent to actions taken by the Company in entering into the Trust Agreement and any other arrangements for the purpose of providing benefits under the Plan, and to authorize the Company and the Administrative Committee to take any actions within the authority of the Company or the Administrative Committee, as applicable, under the terms of the Plan.

12.2 **Costs and Expenses** . The costs and expenses incurred in connection with the administration of the Plan and Trust Fund (including, without limitation, expenses incurred by the Administrative Committee and Investment Committee), net of any revenue sharing that reimburses or pays directly such costs and expenses, shall be paid from the Trust Fund; provided, however, that (1) the Company, in its absolute discretion, may elect at any time to pay (or have the Employers pay) part or all thereof directly, but any such election shall not bind the Company as to its right to elect with respect to the same or other expenses at any other time to have such expenses reimbursed or paid from the Trust Fund and/or (2) the Administrative Committee and/or Investment Committee may direct that some or all of such administrative costs are to be paid directly by the Members. In furtherance of, but without limiting the foregoing, the Administrative and/or Investment Committee may direct that recordkeeping and other fees be deducted directly from the Accounts of all Members, or, in the sole discretion of the Administrative and/or Investment Committee, solely from the accounts of specified Members who utilize certain services and/or solely from the accounts of terminated Members (subject to the limitations of Code section 411(a)(11) and the regulations thereunder).

12.3 **Withdrawal of Employer** . Any Employer (other than the Company) that adopts the Plan may elect separately to withdraw from the Plan. Any such withdrawal shall be expressed in an instrument executed by the withdrawing Employer and filed with the Company and the Trustee. In the event of such a withdrawal of an Employer, or in the event the Plan is terminated as to an Employer (but not all the Employers) pursuant to Section 13.1, such Employer (herein called “former Employer”) shall cease to be an Employer, Employer Contributions of such former Employer and all contributions of or for Employees of such former Employer shall cease.

ARTICLE XIII -AMENDMENT OR TERMINATION

13.1 **Right to Amend or Terminate** . Subject to the limitations of Sections 4.10(1) and 7.4 of the Plan, the Company has reserved, and does hereby reserve, the right at any time, without the consent of any other Employer or of the Members, Beneficiaries or any other person, (1) to terminate the Plan, in whole or in part or as to any or all of the Employers or as to any designated group of Employees, Members and their Beneficiaries, or (2) to amend the Plan, in whole or in part. The Plan may be amended only by the Company.

13.2 **Procedure for Termination or Amendment** . Any termination or amendment of the Plan pursuant to Section 13.1 shall be expressed in an instrument executed by an officer of the Company and shall become effective as of the date designated in such instrument or, if no date is so designated, on the date of its execution. Such instrument may be executed by electronic signature via DocuSign or by delivery of a scanned, executed copy via facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, each of which will have the same effect as physical delivery of the paper document bearing an original signature.

13.3 **Distribution Upon Termination** . If the Plan shall be terminated by the Company pursuant to Section 13.1, all contributions to the Plan shall cease, but the Trust Fund shall be distributed as if the Plan had not been terminated.

13.4 **Amendment Changing Vesting Schedule** .

(1) If any Plan amendment changes any vesting schedule under the Plan, each Member having not less than three years of service shall be permitted to elect, during the election period described in Subsection (2) of this Section, to have his nonforfeitable percentage computed under the Plan without regard to such amendment.

(2) Such election period shall begin on the date the Plan amendment is adopted and shall end no earlier than the latest of the following dates: (a) the date that is 60 days after the day the Plan amendment is adopted, (b) the date that is 60 days after the day the Plan amendment becomes effective, or (c) the date that is 60 days after the day the Member is issued written notice of the Plan amendment by the Company.

(3) For purposes of Subsection (1) of this Section, a Member shall be considered to have completed three years of service if such Member has completed three years of service, whether or not consecutive, without regard to the exceptions of section 411(a)(4) of the Code, prior to the expiration of the election period described in Subsection (2) of this Section.

13.5 **Nonforfeitable Amounts** . Notwithstanding any other provision of the Plan, upon the termination or partial termination of the Plan or upon complete discontinuance of contributions under the Plan, the rights of all Employees to benefits accrued to the date of such termination or partial termination or discontinuance, to the extent then funded, or the amounts credited to the Employees' Accounts, shall be nonforfeitable.

13.6 **Prohibition on Decreasing Accrued Benefits** . No amendment to the Plan (other than an amendment described in section 412(c)(8) of the Code) shall have the effect of decreasing the accrued benefit of any Member. For purposes of the preceding sentence, a Plan amendment that has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy (as defined in regulations of the Secretary of the Treasury) or (2) eliminating an optional form of benefit (except as permitted by any such regulations) with respect to benefits attributable to service before the amendment, shall be treated as decreasing accrued benefits, provided, however, that in the case of a retirement-type subsidy, this sentence shall apply only with respect to a Member who satisfies (either before or after the amendment) the preamendment conditions for the subsidy.

ARTICLE XIV -RULES REGARDING HOLDINGS STOCK

14.1 **Voting Holdings Stock** . Before each annual or special meeting of the shareholders of the Lincoln Electric Holdings, Inc., the Administrative Committee shall cause to be sent to each Member and Beneficiary who has voting shares of Holdings Stock allocated to his ESOP Account and/or Non-ESOP Account on the record date of such meeting a copy of the proxy solicitation material therefor, together with a form requesting confidential instructions on how to vote the voting shares of Holdings Stock allocated to his Account. Upon receipt of such instructions, the Trustee shall vote the voting shares allocated to such Member's or Beneficiary's Accounts as instructed. The Trustee shall not vote shares allocated to a Member's or Beneficiary's Account for which no instructions are received. The Trustee shall vote all voting shares of Holdings Stock that represent forfeited Account values that have not been reallocated at the time of any such proxy solicitation in the same proportion as it exercises voting rights as directed by Members and Beneficiaries. A Member has the right to instruct the Trustee with respect to voting shares of Holdings Stock on all matters which involve the voting of such shares, including the exercise of any appraisal rights, dissenters' rights or similar rights granted by applicable law to the registered or beneficial holders of Holdings Stock.

14.2 **Sale of Holdings Stock** . Subject to the rights of Members in a tender offer as described in Section 14.3, the Investment Committee may direct the Trustee to sell shares of Holdings Stock to any person, including the Company, provided that any sale to the Company or other "disqualified person" within the meaning of section 4975 of the Code or "party in interest" within the meaning of section 3(14) of ERISA is made at a price that is not less than adequate consideration as defined in section 3(18) of ERISA and no commission is charged with respect to the sale.

14.3 **Tender Offer for Holdings Stock** . In the event of a tender offer for shares of Holdings Stock subject to section 14(d)(1) of the Securities Exchange Act of 1934 or subject to Rule 13e 4 promulgated under that Act (as those provisions may from time to time be amended or replaced by successor provisions of federal securities laws), the Company will advise the Trustee of the commencement date of the tender offer. The Administrative Committee shall cause each Member who has shares of Holdings Stock credited to his ESOP Account and/or Non-ESOP Account to be

advised in writing of the terms of the tender offer as soon as practicable after its commencement and shall cause each Member to be furnished with a form by which he may instruct the Trustee confidentially to tender shares credited to his Account (whether or not vested). The Trustee shall tender those shares it has been properly instructed to tender, and shall not tender those shares that it has been properly instructed not to tender or for which no instructions are properly received. The Trustee shall tender those shares of Holdings Stock that represent forfeited Account values that have not been reallocated at the time of the tender offer in the same proportion as the shares of Holdings Stock credited to Members' and Beneficiaries' Accounts were tendered. The Administrative Committee's (or its delegate's) advice to Members will include notice that allocated shares for which no instructions are received shall not be tendered and such related documents as are prepared by any person and provided to the shareholders of the Company pursuant to the Securities Exchange Act of 1934. The Administrative Committee or its delegate may also provide Members with such other material concerning the tender offer as the Committee or its delegate in its discretion determines to be appropriate. A Member's instructions to the Trustee to tender shares will not be deemed a withdrawal or suspension from the Plan or a forfeiture of any portion of the Member's interest in the Plan. Funds received in exchange for tendered stock will be credited to the Account of the Member or Beneficiary whose stock was tendered and shall, unless otherwise directed by the Member or Beneficiary, be invested as provided in the Trust Agreement.

ARTICLE XV -TOP-HEAVY PLAN REQUIREMENTS

15.1 **Definitions** . For the purposes of this Article, the following terms, when used with initial capital letters, shall have the following respective meanings:

(1) Aggregation Group : Permissive Aggregation Group or Required Aggregation Group, as the context shall require.

(2) Compensation : “Compensation” as defined in Section 4.11(3).

(3) Defined Benefit Plan : A qualified plan as defined in section 414(j) of the Code.

(4) Defined Contribution Plan : A qualified plan as defined in section 414(i) of the Code.

(5) Determination Date : For any Plan Year, the last day of the immediately preceding Plan Year, except that in the case of the first Plan Year of the Plan, the Determination Date shall be the last day of such first Plan Year.

(6) Former Key Employee : A Non-Key Employee with respect to a Plan Year who was a Key Employee in a prior Plan Year. Such term shall also include his Beneficiary in the event of his death.

(7) Key Employee: An Employee or former Employee who is or was a Member and who, at any time during the current Plan Year, is (a) an officer of an Employer (limited to no more than 50 Employees or, if lesser, the greater of 3 Employees or 10 percent of the Employees) having an annual Compensation greater than \$130,000 (as adjusted under section 416(i)(1) of the Code), (b) a 5-percent owner (as such term is defined in section 416(i)(1)(B)(i) of the Code) of the Employer, or (c) a 1-percent owner (as such term is defined in section 416(i)(1)(B)(ii) of the Code) of an Employer having an annual Compensation of more than \$150,000. The term “Key Employee” shall also include such Employee’s Beneficiary in the event of his death. For purposes of this Subsection, “Compensation” has the meaning given such term by section 415(c)(3) of the Code.

(8) Non-Key Employee : An Employee or former Employee who is or was a Member and who is not a Key Employee. Such term shall also include his Beneficiary in the event of his death.

(9) Permissive Aggregation Group : The group of qualified plans of an Employer consisting of:

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- (a) the plans in the Required Aggregation Group; plus
- (b) one (1) or more plans designated from time to time by the Administrative Committee that are not part of the Required Aggregation Group but that satisfy the requirements of sections 401(a)(4) and 410 of the Code when considered with the Required Aggregation Group.

(10) Required Aggregation Group : The group of qualified plans of an Employer consisting of:

- (a) each plan in which a Key Employee participates; plus
- (b) each other plan that enables a plan in which a Key Employee participates to meet the requirements of section 401(a)(4) or 410 of the Code.

(11) Top-Heavy Account Balance : A Member's (including a Member who has received a total distribution from this Plan) or a Beneficiary's aggregate balance standing to his account as of the Valuation Date coinciding with or immediately preceding the Determination Date (as adjusted by the amount of any Employer Contributions made or due to be made after such Valuation Date but before the expiration of the extended payment period in section 412(c)(10) of the Code), provided, however, that such balance shall include the aggregate distributions made to such Member or Beneficiary during the 1-year period ending on the Determination Date (including distributions under a terminated plan that, if it had not been terminated, would have been included in a Required Aggregation Group) unless such aggregate distributions were made for a reason other than severance from employment, death or disability in which case this Section shall be applied by substituting a 5-year period for the 1-year period, and provided further that if an Employee or former Employee has not performed services for any Employer maintaining the Plan at any time during the 1-year period ending on the Determination Date, his Account (and/or the Account of his Beneficiary) shall not be taken into account.

(12) Top-Heavy Group : An Aggregation Group if, as of a Determination Date, the aggregate present value of accrued benefits for Key Employees in all plans in the Aggregation Group (whether Defined Benefit Plans or Defined Contribution Plans) is more than sixty percent (60%) of the aggregate present value of accrued benefits for all employees in such plans.

(13) Top-Heavy Plan : See Section 15.2.

15.2 **Determination of Top-Heavy Status** .

(1) Except as provided by Subsections (2) and (3) of this Section, the Plan shall be a Top-Heavy Plan if, as of a Determination Date:

(a) the aggregate of Top-Heavy Account Balances for Key Employees is more than sixty percent (60%) of the aggregate of all Top-Heavy Account Balances, excluding for this purpose the aggregate Top-Heavy Account Balances of Former Key Employees; or

(b) if the Plan is included in a Required Aggregation Group that is a Top-Heavy Group.

(2) If the Plan is included in a Required Aggregation Group that is not a Top-Heavy Group, the Plan shall not be a Top-Heavy Plan notwithstanding the fact that the Plan would otherwise be a Top-Heavy Plan under paragraph (a) of Subsection (1) of this Section.

(3) If the Plan is included in a Permissive Aggregation Group that is not a Top-Heavy Group, the Plan shall not be a Top-Heavy Plan notwithstanding the fact that the Plan would otherwise be a Top-Heavy Plan under Subsection (1) of this Section.

15.3 **Top-Heavy Plan Requirements** . Notwithstanding any other provisions of the Plan to the contrary, if the Plan is a Top-Heavy Plan for any Plan Year, the Plan shall then satisfy the following requirements for such Plan Year:

(a) The minimum vesting requirements as set forth in Section 15.4.

(b) The minimum contribution requirement as set forth in Section 15.5.

15.4 **Minimum Vesting Requirement** . If the Plan is a Top-Heavy Plan for any Plan Year, each Employee who has completed at least three Years of Vesting Service and who has an Hour of Service after the Plan becomes a Top-Heavy Plan shall have a nonforfeitable right to 100 percent of his Matching Employer Contributions Sub-Account. The vesting schedule described in the immediately preceding sentence shall cease to be applicable when the Plan ceases to be a Top-Heavy Plan, provided that an Employee's Matching Employer Contributions that become nonforfeitable pursuant thereto before the Plan ceases to be a Top-Heavy Plan shall remain nonforfeitable and the change in the vesting schedule resulting from the inapplicability of the vesting schedule described in the immediately preceding sentence shall be subject to the provisions of Section 13.4.

15.5 **Minimum Contribution Requirement** . If the Plan is a Top-Heavy Plan for any Plan Year:

(a) Each Non-Key Employee who is eligible to share in any Employer Contribution for such Plan Year (or who would have been eligible to share in any such Employer Contribution if a Before-Tax Contribution or Roth Contribution had been made for him during such Plan Year) shall be entitled to receive an allocation of such Employer Contribution, which is at least equal to three percent (3%) of his Compensation for such Plan Year.

(b) The three percent (3%) minimum contribution requirement under paragraph (a) above for a Non-Key Employee shall be increased to four percent (4%) if the Employer maintains a Defined Benefit Plan that does not cover such Non-Key Employee.

(c) The percentage minimum contribution requirement set forth in paragraphs (a) and (b) above with respect to a Plan Year shall not exceed the percentage at which Employer Contributions are made (or required to be made) under the Plan for such Plan Year for the Key Employee for whom such percentage is the highest for such Year.

(d) The percentage minimum contribution requirement set forth in paragraphs (b) and (c) above may also be reduced or eliminated in accordance with Section 15.6(2).

(e) For the purpose of paragraph (a) above, contributions taken into account shall include like contributions under all other Defined Contribution Plans in the Required Aggregation Group, excluding any such plan in the Required Aggregation Group if that plan enables a Defined Benefit Plan in such Required Aggregation Group to meet the requirements of section 401(a)(4) or section 410 of the Code.

(f) For the purpose of this Section, the term "Employer Contributions" shall include Before-Tax Contributions, Roth Contributions and Matching Employer Contributions made for an Employee; provided, however, that Matching Employer Contributions taken into account in satisfying the percentage minimum contribution requirement set forth in paragraphs (a) and (b) above shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of section 401(m) of the Code.

15.6 **Coordination With Other Plans** .

(1) In applying this Article, an Employer and all Controlled Group Members shall be treated as a single employer, and the qualified plans maintained by such single employer shall be taken into account.

(2) In the event that another Defined Contribution Plan or Defined Benefit Plan maintained by the Controlled Group provides contributions or benefits on behalf of Members in this Plan, such other plan(s) shall be taken into account in determining whether this Plan satisfies Section 15.3; and the minimum contribution required for a Non-Key Employee in this Plan under Section 15.5 will be reduced or eliminated, in accordance with the requirements of section 416 of the Code and the Regulations thereunder, if a minimum contribution or benefit is made or accrued in whole or in part in respect of such other plan(s).

(3) Principles similar to those specifically applicable to this Plan under this Article, and in general as provided for in section 416 of the Code and the Regulations thereunder, shall be applied to the other plan(s) required to be taken into account under this Article in determining whether this Plan and such other plan(s) meet the requirements of such section 416 of the Code and the Regulations thereunder.

ARTICLE XVI -SUSPENSE ACCOUNT

16.1 **Transferred Assets; Qualified Replacement Plan** . The Company terminated the Retirement Annuity Program, effective as of the close of business on December 31, 2020, and approved the transfer of all residual assets in the Retirement Annuity Program trust, following satisfaction of all Retirement Annuity Program benefit liabilities, to the Plan. As soon as administratively practicable following the termination of the Retirement Annuity Program, the Plan shall accept a transfer of such residual assets from the Retirement Annuity Program. This Article XVI shall apply to any such assets transferred from the Retirement Annuity Program to the Plan during the Plan Year commencing January 1, 2022 (the “Transferred Assets”). This Plan is intended to be a “qualified replacement plan” under section 4980(d)(2) of the Code for purposes of such transfer, and has been determined to meet the participation requirement in section 4980(d)(2)(A) of the Code. This Article XVI and all other provisions of this Plan shall be construed and applied with the intention of complying with the requirements of section 4980(d) of the Code.

16.2 **Suspense Account** . The Transferred Assets, as adjusted for earnings, profits, expenses or losses thereon, shall be held in a suspense account under this Plan’s Trust (the “Suspense Account”) until such amounts are allocated to Member Accounts in accordance with Section 16.3.

16.3 **Allocation Period** . Subject to Sections 16.5 and 16.6, amounts held in the Suspense Account shall be allocated from the Suspense Account to the Accounts of eligible Members as follows during the seven-Plan Year period beginning with the 2022 Plan Year and ending with the 2028 Plan Year (the “Allocation Period”):

(1) For each Plan Year during the Allocation Period, amounts held in the Suspense Account shall first be allocated in the amount of any Nonelective Employer Contributions and Transitional Employer Contributions required to be made by the Employers under Article IV of the Plan for such Plan Year. The amounts allocated from the Suspense Account under this Section 16.3(1) shall be allocated as Nonelective Employer Contributions and Transitional Employer Contributions, as applicable, under Article IV, and the obligations of the Employers to make such contributions under Article IV shall be reduced accordingly. If, at the time of any allocation of assets from the Suspense Account under this Section 16.3(1), the value of the assets remaining in

the Suspense Account is less than the amount of the Nonelective Employer Contributions and Transitional Employer Contributions required to be made at that time under Article IV, then the assets from the Suspense Account shall be allocated first as Nonelective Employer Contributions and, if not yet exhausted, then second as Transitional Employer Contributions.

(2) For each Plan Year during the Allocation Period, to the extent the amounts allocated under Section 16.3(1) for such Plan Year do not satisfy the Minimum Allocation Amount requirement of Section 16.4, amounts held in the Suspense Account shall next be allocated in the amount necessary to satisfy the Minimum Allocation Amount requirement. The amounts allocated from the Suspense Account under this Section 16.3(2) for a Plan Year shall be allocated and credited as of the last day of such Plan Year to the Accounts of those Members who are actively employed by an Employer on the last day of such Plan Year. The amount to be credited to each such Member shall be determined by multiplying (a) the total amount to be allocated under this Section 16.3(2) for the Plan Year by (b) a fraction, the numerator of which is such Member’s Compensation received for such Plan Year and the denominator of which is the total Compensation received for such Plan Year for all Members eligible for an allocation under this Section 16.3(2) for the Plan Year. The amounts allocated from the Suspense Account under this Section 16.3(2) shall be treated as Nonelective Employer Contributions for all purposes under the Plan, other than for purposes of the requirements of Sections 4.6, 4.7 and 16.3(1).

16.4 **Minimum Allocation Amount** . Except as provided in Section 16.6, until such time as there are no remaining amounts held in the Suspense Account, the aggregate amount to be allocated from the Suspense Account to the Accounts of Members under Section 16.3 for each Plan Year during the Allocation Period shall be no less than the Minimum Allocation Amount for such Plan Year determined as follows (the “Minimum Allocation Amount”):

<u>Plan Year</u>	<u>Minimum Allocation Amount</u>
2022	One-seventh of the value of the Transferred Assets as of the first Valuation Date on or after the date of transfer of the Transferred Assets to the Plan
2023	One-sixth of the value, as of the first Valuation Date on or after January 1, 2023, of the assets held in the Suspense Account
2024	One-fifth of the value, as of the first Valuation Date on or after January 1, 2024, of the assets held in the

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<u>Plan Year</u>	<u>Minimum Allocation Amount</u>
	Suspense Account
2025	One-fourth of the value, as of the first Valuation Date on or after January 1, 2025, of the assets held in the Suspense Account
2026	One-third of the value, as of the first Valuation Date on or after January 1, 2026, of the assets held in the Suspense Account
2027	One-half of the value, as of the first Valuation Date on or after January 1, 2027, of the assets held in the Suspense Account
2028	100% of the value of the assets held in the Suspense Account as of the date such amounts are allocated to Member Accounts

16.5 **Coordination with Section 415 Limitation** . Amounts allocated from the Suspense Account to the Accounts of Members as described in Section 16.3 shall be treated as “annual additions” for purposes of the limitation described in Section 4.11. If, by reason of the limit on annual additions described in Section 4.11, any amount held in the Suspense Account may not be allocated to a Member before the close of the Allocation Period:

- (1) Such amount shall be allocated to the Accounts of other Members, and
- (2) If any portion of such amount may not be allocated to other Members by reason of the limitations described in Section 4.11, such portion shall be allocated to the Member as provided in section 415 of the Code.

16.6 **Unallocated Amounts at Termination** . If any amount held in the Suspense Account is not allocated to Member Accounts as of the termination date of the Plan:

- (1) Such amount shall be allocated to the Accounts of Members as of such termination date, except that any amount which may not be allocated to any Member by reason of the limitation described in Section 4.11 shall be allocated to the Accounts of other Members, and
- (2) If any portion of such amount may not be allocated to other Members under Section 16.6(1) by reason of the limitation described in Section 4.11, such portion shall be treated as a reversion to the Company to which section 4980 of the Code applies.

16.7 **Investment of Suspense Account** . Notwithstanding any provision of Article V to the contrary, amounts held in the Suspense Account shall be invested in such Investment Fund or Funds, and in such proportions, as are designated by the Investment Committee from time to time, which Investment Fund or Funds may include one or more Investment Funds that are not investment options available to be selected by Members for the investment of amounts contributed to or held in Member Accounts under Section 5.5. Upon allocation to a Member's Account, amounts allocated from the Suspense Account will be invested according to such Member's directions or, if none, the Plan's default investment fund in accordance with Section 5.5.

EXECUTED at Cleveland, Ohio, this 25th day of April, 2022.

THE LINCOLN ELECTRIC COMPANY

By /s/ Michele Kuhrt
Title: Executive Vice President, Chief Human
Resources Officer

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EXHIBIT A

Participating Employers as of April 25, 2022

The Lincoln Electric Company
J.W. Harris Co., Inc.
Lincoln Global, Inc.
Welding, Cutting, Tools & Accessories, LLC
Smart Force, LLC
Lincoln Electric Automation, Inc.

AMENDMENT NO. 1
TO
THE LINCOLN ELECTRIC COMPANY
EMPLOYEE SAVINGS PLAN
(AS AMENDED AND RESTATED EFFECTIVE APRIL 25, 2022)

The Lincoln Electric Company, an Ohio corporation, hereby adopts this Amendment No. 1 to The Lincoln Electric Company Employee Savings Plan (As Amended and Restated Effective April 25, 2022) (the “Plan”), effective as of June 15, 2022.

I.

The introduction preceding Article I of the Plan is hereby amended by inserting a new paragraph at the end thereof to read as follows:

“Effective as of June 15, 2022, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Lincoln Electric Automation, Inc. (as successor to Coldwater Machine Company, LLC), the Coldwater Machine Company, LLC 401(k) Plan (the “Coldwater Plan”) will merge with and into the Plan and all accounts held under the Coldwater Plan, will be transferred to the Plan.”

II.

The first sentence of Subsection 1.1(6) of the Plan is hereby amended in its entirety to read as follows:

“The contributions made pursuant to Section 3.1 of the Plan, elective deferral contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants, elective deferral contributions made to the Harris Plan on behalf of Former Harris Plan Participants, elective deferral contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants, elective deferral contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants, elective deferral contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants, elective deferral contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants, elective deferral contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants, elective deferral contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants, and elective deferral contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants, in each case excluding Roth Contributions.”

III.

The reference to “Section 1.1(26)(b)” in Subsection 1.1(10) of the Plan is hereby deleted and replaced with a reference to “Subsection 1.1(28)(b)”.

IV.

Subsection 1.1(10) of the Plan is hereby amended by inserting a new sentence at the end thereof to read as follows:

“With respect to a Former Coldwater Plan Participant, for periods prior to June 15, 2022, the term “Break In Service” shall mean ‘One-Year Break in Service’ (as defined in the Coldwater Plan for vesting purposes).”

V.

Section 1.1 of the Plan is hereby amended by (i) inserting new Subsections 1.1(12) and 1.1(13) immediately following existing Subsection 1.1(11) to read as follows, and (ii) renumbering the succeeding Subsections of Section 1.1 accordingly:

“(12) Coldwater Plan: The Coldwater Machine Company, LLC 401(k) Plan, as in effect immediately prior to its merger into the Plan effective as of June 15, 2022.

(13) Coldwater Prior Employer Contributions: Matching employer contributions and nonelective employer profit sharing contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants who (A) are not employed by Lincoln Electric Automation, Inc. (as successor to Coldwater Machine Company, LLC) on June 15, 2022 and (B) were not employed by Coldwater Machine Company, LLC on December 31, 2019.”

VI.

The reference to “Section 1.1(21)” in Subsection 1.1(16) of the Plan (renumbered as Subsection 1.1(18) by the foregoing) is hereby deleted and replaced with a reference to “Subsection 1.1(23)”.

VII.

Subsection 1.1(17) of the Plan (renumbered as Subsection 1.1(19) by the foregoing) is hereby amended by inserting a new sentence at the end thereof to read as follows:

“Any designation of a Death Beneficiary made by a Former Coldwater Plan Participant pursuant to the Coldwater Plan shall be cancelled as of June 15, 2022.”

VIII.

Subsection 1.1(18) of the Plan (renumbered as Subsection 1.1(20) by the foregoing) is hereby amended in its entirety to read as follows:

“(20) Disability: In the case of a Member who is a Former Weartech Plan Participant, a Former Pro-Systems Plan Participant, a Former Tennessee Rand Plan Participant or a Former Coldwater Plan Participant, Disability means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months. In the case of a Member who is a Former Rimrock Plan Participant or a Former Wolf Plan Participant, Disability means the Member suffers from a medically determinable physical or mental impairment that may be expected to result in death or to last for a continuous period of not less than twelve months and that renders him incapable of performing his duties. The permanence and degree of such impairment of a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant must be supported by medical evidence satisfactory to the Administrative Committee. In the case of all other Members, a Member shall be considered to have incurred a Disability if he is eligible for and receives disability insurance benefits under the Federal Social Security Act. A Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant who is eligible for and receives disability insurance benefits under the Federal Social Security Act shall be deemed to have incurred a Disability. A Member who incurs a Disability is ‘Disabled’.”

IX.

Subsection 1.1 of the Plan is hereby amended by (i) inserting a new Subsection 1.1(32) immediately following existing Subsection 1.1(29) (renumbered as

Subsection 1.1(31) by the foregoing) to read as follows and (ii) renumbering the succeeding

Subsections of Section 1.1 accordingly:

“(32) Former Coldwater Plan Participant: Any person who immediately prior to the effective time of the merger of the Coldwater Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Coldwater Plan.”

X.

Subsection 1.1(52) of the Plan (renumbered as Subsection 1.1(55) by the foregoing) is hereby amended in its entirety to read as follows:

“(55) Matching Employer Contributions: The contributions made pursuant to Section 4.1 of the Plan (or pursuant to any Instrument of Adoption), employer matching contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants who were Employees on August 29, 2016, matching employer contributions made to the Harris Plan on behalf of Former Harris Plan Participants who were Employees on August 1, 2017, matching employer contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were employees of Rimrock Corporation on January 1, 2020, matching employer contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants who were employees of Wolf Robotics, LLC on January 1, 2020, qualified matching contributions made pursuant to the Rimrock Plan on behalf of Former Rimrock Plan Participants or the Wolf Plan on behalf of Former Wolf Plan Participants, matching employer contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants who (A) were employed by Pro-Systems, LLC on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC) on January 15, 2021, matching employer contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) were employed by Arc Products, Inc. on December 31, 2019 or (B) are employees of The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, matching employer contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) were employed by Tennessee Rand, Inc. on December 31, 2020 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, matching employer contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) were employed by Wayne Trail Technologies, Inc. on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022, and matching employer contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants who (A) were employed by Coldwater Machine Company, LLC on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC) on June 15, 2022.

XI.

Subsection 1.1(57) of the Plan (renumbered as Subsection 1.1(60) by the foregoing) is

hereby amended in its entirety to read as follows:

“(60) Nonelective Employer Contributions: The contributions made pursuant to Section 4.6 of the Plan, nonelective employer contributions made to the Harris Plan on behalf of Former Harris Plan Participants who were Employees on August 1, 2017, nonelective employer contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were employees of Rimrock Corporation on January 1, 2020, nonelective employer contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants who were employees of Wolf Robotics, LLC on January 1, 2020, nonelective employer profit sharing contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) were employed by Arc Products, Inc. on December 31, 2019 or (B) are employees of The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, nonelective employer profit sharing contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) were employed by Tennessee Rand, Inc. on December 31, 2020 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, nonelective employer profit sharing contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) were employed by Wayne Trail Technologies, Inc. on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022, and nonelective employer profit sharing contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants who (A) were employed by Coldwater Machine Company, LLC on December 31, 2019 or (B) are employees of Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC) on June 15, 2022.”

XII.

Subsection 1.1(71) of the Plan (renumbered as Subsection 1.1(74) by the foregoing) is

hereby amended in its entirety to read as follows:

“(74) Rollover Contributions: Cash or cash equivalents received and held by the Trustee pursuant to the provisions of Section 3.9, rollover contributions made to the Weartech Plan by Former Weartech Plan Participants, rollover contributions made to the Rimrock Plan by Former Rimrock Plan Participants, rollover contributions made to the Wolf Plan by Former Wolf Plan Participants, rollover contributions made to the Pro-Systems Plan by Former Pro-Systems Plan Participants, rollover contributions made to the Techalloy Plan by Former Techalloy Plan Participants, rollover contributions made to the Tennessee Rand Plan by Former Tennessee Rand Plan Participants, rollover

contributions made to the Wayne Trail Plan by Former Wayne Trail Plan Participants, and rollover contributions made to the Coldwater Plan by Former Coldwater Plan Participants.”

XIII.

The first sentence of Subsection 1.1(72) of the Plan (renumbered as Subsection

1.1(75) by the foregoing) is hereby amended in its entirety to read as follows:

“The contributions made pursuant to Section 3.1 of the Plan which the Member has irrevocably designated as being contributed in lieu of all or a portion of the Before-Tax Contributions that the Member is otherwise eligible to make under the Plan, and which are treated by the Company as includible in the Member’s gross income pursuant to section 402A of the Code at the time the Member would have received that amount in cash if the Member had not elected to make the contribution, and Roth contributions made pursuant to similar provisions of the Rimrock Plan on behalf of Former Rimrock Plan Participants, of the Wolf Plan on behalf of Former Wolf Plan Participants, of the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants or of the Coldwater Plan on behalf of Former Coldwater Plan Participants.”

XIV.

The fourth sentence of Subsection 1.1(88) of the Plan (renumbered as Subsection

1.1(91) by the foregoing) and the table immediately following such sentence are hereby amended in their entirety to read as follows:

“Further notwithstanding the foregoing, but subject to Subsections 6.3(7), 6.3(9), 6.3(10), 6.3(11), 6.3(13) and 6.3(15), (A) in the case of a Former Weartech Plan Participant who was not an Employee on August 29, 2016, the portion of such Former Weartech Plan Participant’s Account that is derived from Weartech Prior Matching Contributions, (B) in the case of a Former Rimrock Plan Participant who was not employed by Rimrock Corporation on January 1, 2020, the portion of such Former Rimrock Plan Participant’s Account that is derived from Rimrock Prior Employer Contributions, (C) in the case of a Former Wolf Plan Participant who was not employed by Wolf Robotics, LLC on January 1, 2020, the portion of such Former Wolf Plan Participant’s Account that is derived from Wolf Prior Employer Contributions, (D) in the case of a Former Pro-Systems Plan Participant who (i) is not employed by Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC) on January 15, 2021, and (ii) was not employed by Pro-Systems, LLC on December 31, 2019, the portion of such Former Pro-Systems Plan Participant’s

Account that is derived from Pro-Systems Prior Employer Contributions, (E) in the case of a Former Tennessee Rand Plan Participant who (i) is not employed by Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, and (ii) was not employed by Tennessee Rand, Inc. on December 31, 2019, the portion of such Former Tennessee Rand Plan Participant's Account that is derived from Tennessee Rand Prior Employer Contributions, and (F) in the case of a Former Coldwater Plan Participant who (i) is not employed by Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC) on June 15, 2022, and (ii) was not employed by Coldwater Machine Company, LLC on December 31, 2019, the portion of such Former Coldwater Plan Participant's Account that is derived from Coldwater Prior Employer Contributions, shall be nonforfeitable in accordance with the following table based on his Years of Vesting Service at any particular time:

<u>Years of Vesting Service</u>	Percent of Weartech Prior Matching Contributions, Rimrock Prior Employer Contributions, Wolf Prior Employer Contributions, Pro-Systems Prior Employer Contributions, Tennessee Rand Prior Employer Contributions or Coldwater Prior Employer Contributions Nonforfeitable
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%”

XV.

Subsection 1.1(88) of the Plan (renumbered as Subsection 1.1(91) by the foregoing) is hereby amended by inserting a new sentence immediately following the seventh sentence thereof to read as follows:

“Further notwithstanding the foregoing, in the case of a Former Coldwater Plan Participant who (A) is not employed by Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC), on June 15, 2022 and (B) was not employed by Coldwater Machine Company, LLC on December 31, 2019, but again becomes an Employee employed by Lincoln Electric Automation, Inc. after June 15, 2022, the portion of such Employee's Account that is derived from Coldwater Prior Employer Contributions, and that has not previously become forfeited in accordance with

Section 6.3, shall be 100% nonforfeitable on and after the date such individual again becomes employed by Lincoln Electric Automation, Inc.”

XVI.

The reference to “Section 1.1(26)(b)” in Subsection 1.1(89)(a) of the Plan (renumbered as Subsection 1.1(92)(a) by the foregoing) is hereby deleted and replaced with a reference to “Subsection 1.1(28)(b)”.

XVII.

Subsection 1.1(89)(b) of the Plan (renumbered as Subsection 1.1(92)(b) by the foregoing) is hereby amended in its entirety to read as follows:

“(b) Notwithstanding the foregoing paragraph (a), (i) in the case of any Employee (other than a Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Techalloy Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant) who has a Break in Service and who does not have a nonforfeitable right to a benefit under the Plan, Years of Vesting Service before his Break in Service shall not be taken into account only if the number of his consecutive 1-Year Breaks in Service equals or exceeds the greater of five or the aggregate number of his Years of Vesting Service before his Break in Service; and such aggregate number of his Years of Vesting Service before his Break in Service shall not include any Years of Vesting Service not required to be taken into account under this paragraph by reason of any prior Break in Service, and (ii) an Employee shall not be credited with Vesting Service for any period after the termination of the Plan as to him.”

XVIII.

Subsection 1.1(89)(e) of the Plan (renumbered as Subsection 1.1(92)(e) by the foregoing) is hereby amended in its entirety to read as follows:

“(e) Further notwithstanding any other provision of the Plan to the contrary and solely to the extent such service is not otherwise credited under this Section 1.1(92), (i) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Years of Vesting Service shall also include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an “Employee” (as defined in the Plan) on November 14, 2012; (ii) with respect to any Former Weartech Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Weartech Plan as of December 31, 2015 (excluding any service that is disregarded under the terms of the Weartech Plan) and (B) for the Plan Year commencing

January 1, 2016, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (iii) with respect to any Former Harris Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Harris Plan immediately prior to August 1, 2017 (excluding any service that is disregarded under the terms of the Harris Plan); (iv) with respect to any Former Rimrock Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Rimrock Plan immediately prior to January 1, 2020 (including vesting service counted as part of the purchase of ABB divisions by Rimrock Holdings for those employees transitioned from ABB to Rimrock Automation as of July 23, 2003 and for those employees transitioned from ABB to Wolf Robotics as of November 16, 2003, but excluding any service that is disregarded under the terms of the Rimrock Plan); (v) with respect to any Former Wolf Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Wolf Plan immediately prior to January 1, 2020 (excluding any service that is disregarded under the terms of the Wolf Plan); (vi) with respect to any Former Pro-Systems Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Pro-Systems Plan immediately prior to January 15, 2021 (excluding any service that is disregarded under the terms of the Pro-Systems Plan) and (B) for the Plan Year commencing January 1, 2021, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (vii) with respect to any Former Techalloy Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Techalloy Plan immediately prior to April 25, 2022 (including service with Central Wire credited for vesting purposes as provided under the terms of the Techalloy Plan, but excluding any service that is disregarded under the terms of the Techalloy Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (viii) with respect to any Former Tennessee Rand Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Tennessee Rand Plan immediately prior to April 29, 2022 (excluding any service that is disregarded under the terms of the Tennessee Rand Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (ix) with respect to any Former Wayne Trail Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Wayne Trail Plan immediately prior to May 2, 2022 (excluding any service that is disregarded under the terms of the Wayne Trail Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); and (x) with respect to any Former Coldwater Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Coldwater Plan immediately prior to June 15, 2022 (including service with Lincoln Electric Automation, Inc., Arctic Fox, LLC, The Coldwater Machine Company, Inc., North River Capital, LLC, Premium Supply, Inc. T-E INCORPORATED, Wayne Manufacturing, LLC, and MetalX, LLC credited for vesting purposes as provided under the terms of the Coldwater Plan, but excluding any service that is disregarded under the terms of the Coldwater Plan) and (B) for the Plan Year commencing January 1, 2022,

Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g).”

XIX.

The reference to “Section 1.1(47)(b)” in Subsection 1.1(96) of the Plan (renumbered as Subsection 1.1(99) by the foregoing) is hereby deleted and replaced with a reference to “Subsection 1.1(49)(b)”.

XX.

The last sentence of Subsection 1.1(96) of the Plan (renumbered as Subsection 1.1(99) by the foregoing) is hereby amended in its entirety to read as follows:

“Notwithstanding any other provision of the Plan to the contrary and solely to the extent such service is not otherwise credited under this Section 1.1(99), (a) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Years of Eligibility Service shall also include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an “Employee” (as defined in the Plan) on November 14, 2012, (b) in the case of a Former Weartech Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Weartech Plan immediately prior to August 29, 2016, (c) in the case of a Former Harris Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Harris Plan immediately prior to August 1, 2017, (d) in the case of a Former Rimrock Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Rimrock Plan immediately prior to January 1, 2020, (e) in the case of a Former Wolf Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Wolf Plan immediately prior to January 1, 2020, (f) in the case of a Former Pro-Systems Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Pro-Systems Plan immediately prior to January 15, 2021, (g) in the case of a Former Techalloy Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Techalloy Plan immediately prior to April 25, 2022 (including service with Central Wire credited for eligibility purposes as provided under the terms of the Techalloy Plan), (h) in the case of a Former Tennessee Rand Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Tennessee Rand Plan immediately prior to April 29, 2022, (i) in the case of a Former Wayne Trail Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Wayne Trail Plan immediately prior to May 2, 2022, and (j) in the case of a Former Coldwater Plan Participant, Years of Eligibility Service shall include any service credited

for eligibility purposes under the Coldwater Plan immediately prior to June 15, 2022 (including service with Lincoln Electric Automation, Inc., Arctic Fox, LLC, The Coldwater Machine Company, Inc., North River Capital, LLC, Premium Supply, Inc. T-E INCORPORATED, Wayne Manufacturing, LLC, or MetalX, LLC credited for eligibility purposes as provided under the terms of the Coldwater Plan).”

XXI.

The reference to “Section 1.1(89)” in Subsection 1.1(97) of the Plan (renumbered as Subsection 1.1(100) by the foregoing) is hereby deleted and replaced with a reference to “Subsection 1.1(92)”.

XXII.

Section 1.2 of the Plan is hereby amended by inserting a new Subsection 1.2(15) at the end thereof to read as follows:

“(15) The benefits payable to a Former Coldwater Plan Participant under the Coldwater Plan whose employment with the Controlled Group terminated, including by reason of death, before June 15, 2022 (and who is not rehired by a Controlled Group Member on or after June 15, 2022) shall be determined by and paid in accordance with the terms and provisions of the Coldwater Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.”

XXIII.

Section 2.2 of the Plan is hereby amended by inserting a new Subsection 2.2(9) at the end thereof to read as follows:

“(9) A Former Coldwater Plan Participant who had an account under the Coldwater Plan immediately prior to the effective time of the merger of the Coldwater Plan into this Plan but did not become a Member pursuant to Subsection (1), shall become a Member on June 15, 2022 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).”

XXIV.

The reference to “Section 1.1(21)” in Subsection 3.9(3) of the Plan is hereby deleted and replaced with a reference to “Subsection 1.1(23)”.

XXV.

The first sentence of Section 5.2 of the Plan is hereby amended in its entirety to read as follows:

“The Company shall establish and maintain, or cause to be established and maintained, an Account for each Member, which Account shall reflect, pursuant to Sub-Accounts established and maintained thereunder, the amount, if any, of the Member’s (1) Before Tax Contributions, (2) Roth Contributions, (3) Rollover Contributions, (4) Prior ESOP Contributions, (5) Matching Employer Contributions, (6) Qualified Nonelective Contributions, (7) Nonelective Employer Contributions, (8) Transitional Employer Contributions, (9) FSP Contributions, (10) FSP Plus Contributions, (11) Weartech Prior Matching Contributions, (12) Harris Prior Employer Contributions, (13) Rimrock Prior Employer Contributions, (14) Wolf Prior Employer Contributions, (15) Pro-Systems Prior Employer Contributions, (16) Techalloy Prior Employer Contributions, (17) Tennessee Rand Prior Employer Contributions, (18) Wayne Trail Prior Employer Contributions, and (19) Coldwater Prior Employer Contributions.”

XXVI.

The last sentence of Subsection 5.8(1) of the Plan is hereby amended in its entirety to read as follows:

“Each loan shall be charged against the Member’s Vested Interest in his Sub-Accounts as follows: first, against the Member’s Rollover Contributions Sub-Account (excluding the Roth Rollover Contributions Sub-Account), if any; second, to the extent necessary, against the Member’s Before-Tax Contributions Sub-Account, if any; third, to the extent necessary, against the Member’s Qualified Nonelective Contributions Sub-Account, if any; fourth, to the extent necessary, against the Member’s Matching Employer Contributions Sub-Account, if any; fifth, to the extent necessary, against the Member’s Nonelective Employer Contributions Sub-Account, if any; sixth, to the extent necessary, against the Member’s Transitional Employer Contributions Sub-Account, if any; seventh, to the extent necessary, against the Member’s Prior ESOP Contributions Sub-Account, if any; eighth, to the extent necessary, against the Member’s Weartech Prior Matching Contributions Sub-Account, if any; ninth, to the extent necessary, against the Member’s FSP Contributions Sub-Account; tenth, to the extent necessary, against the Member’s FSP Plus Contributions Sub-Account; eleventh, to the extent necessary, against the

Member's Harris Prior Employer Contributions Sub-Account, if any; twelfth, to the extent necessary, against the Member's Roth Rollover Contributions Sub-Account; thirteenth, to the extent necessary, against the Member's Roth Contributions Sub-Account; fourteenth, to the extent necessary, against the Member's Rimrock Prior Employer Contributions Sub-Account, if any; fifteenth, to the extent necessary, against the Member's Wolf Prior Employer Contributions Sub-Account, if any; sixteenth, to the extent necessary, against the Member's Pro-Systems Prior Employer Contributions Sub-Account, if any; seventeenth, to the extent necessary, against the Member's Techalloy Prior Employer Contributions Sub-Account, if any; eighteenth, to the extent necessary, against the Member's Tennessee Rand Prior Employer Contributions Sub-Account, if any; nineteenth, to the extent necessary, against the Member's Wayne Trail Prior Employer Contributions Sub-Account, if any; and twentieth, to the extent necessary, against the Member's Coldwater Prior Employer Contributions Sub-Account, if any."

XXVII.

Section 5.8 of the Plan is hereby amended by inserting a new Subsection 5.8(11) at the end thereof to read as follows:

"(11) Loans outstanding under the Coldwater Plan on June 15, 2022 were transferred to the Plan and shall continue to be governed by the terms in effect for such loans under the Coldwater Plan on June 15, 2022, and such loans (i) shall not be subject to the maximum repayment period for a loan used to acquire a principal residence of the Member set forth in Subsection (5)(d)(iii) of this Section."

XXVIII.

The reference to "Section 1.1(88)" in Subsection 6.3(5) of the Plan is hereby deleted and replaced with a reference to "Subsection 1.1(91)".

XXIX.

Section 6.3 of the Plan is hereby amended by inserting a new Subsection 6.3(15) at the end thereof to read as follows:

"(15) If a Former Coldwater Participant who forfeited all or a portion of his interest under the Coldwater Plan on account of a distribution (or deemed distribution) to him from the Coldwater Plan prior to June 15, 2022 is reemployed as an Eligible Employee under this Plan on or after June 15, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Coldwater Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Coldwater Plan Participant incurs five consecutive 1-Year Breaks in Service

following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Coldwater Plan Participant is reemployed. If a Former Coldwater Plan Participant who received a deemed distribution from the Coldwater Plan prior to June 15, 2022 is reemployed as an Eligible Employee on or after June 15, 2022 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Coldwater Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Coldwater Plan Participant's Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Coldwater Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Coldwater Plan Participant's Account that is derived from Coldwater Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Coldwater Plan Participant's forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions."

XXX.

The reference to "Section 1.1(88)" in Section 6.4 of the Plan is hereby deleted and replaced with a reference to "Subsection 1.1(91)".

XXXI.

The last sentence of Subsection 6.7(4) of the Plan is hereby amended in its entirety to read as follows:

"The Committee may require a Member who is a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant to submit to a physical examination in order to confirm the Member's Disability."

XXXII.

The second sentence of Subsection 6.7(5) of the Plan is hereby amended in its entirety to read as follows:

"A Member who is a former Employee and (i) either (A) a Former Pro-Systems Plan Participant or (B) a Former Coldwater Plan Participant, or (ii) a Beneficiary of such a Member, may request, on a form provided by and filed with the Committee, a withdrawal of a portion of his Vested Interest in his Account."

XXXIII.

Section 6.8 of the Plan is hereby amended in its entirety to read as follows:

“6.8 **Effect of Five Consecutive 1-Year Breaks in Service on Vesting Service.** If a Member’s Employment Severance occurs and he is subsequently rehired as an Employee after incurring five consecutive 1 Year Breaks in Service, Years of Vesting Service after such five year period shall not be taken into account for the purpose of determining his Vested Interest in the amount attributable to Employer Contributions, Weartech Prior Matching Contributions, Harris Prior Employer Contributions, Rimrock Prior Employer Contributions, Wolf Prior Employer Contributions, Pro-Systems Prior Employer Contributions, Techalloy Prior Employer Contributions, Tennessee Rand Prior Employer Contributions, Wayne Trail Prior Employer Contributions or Coldwater Prior Employer Contributions allocated to his Account before such five year period.”

XXXIV.

The portion of Section 9.4 of the Plan preceding the colon is hereby amended in its entirety to read as follows:

“9.4 **Disability Claims and Review Procedure for Former Weartech, Rimrock, Wolf, Pro-Systems, Tennessee Rand and Coldwater Plan Participants.** Notwithstanding any other provision of this Article IX to the contrary, in the case of a determination of Disability (other than pursuant to the Federal Social Security Act) involving a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant, the following claims procedures and review procedures shall apply on or after April 1, 2018:”

XXXV.

This Amendment No. 1 may be executed by electronic signature via DocuSign or by delivery of a scanned, executed copy via facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, each of which will have the same effect as physical delivery of the paper document bearing an original signature.

EXECUTED at Cleveland, Ohio this 14th day of June, 2022.

THE LINCOLN ELECTRIC COMPANY

By: /s/ Michele Kuhrt_____

Title: Executive Vice President, Chief Human
Resources Officer_____

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AMENDMENT NO. 2
TO
THE LINCOLN ELECTRIC COMPANY
EMPLOYEE SAVINGS PLAN
(AS AMENDED AND RESTATED EFFECTIVE APRIL 25, 2022)

The Lincoln Electric Company, an Ohio corporation, hereby adopts this Amendment No. 2 to The Lincoln Electric Company Employee Savings Plan (As Amended and Restated Effective April 25, 2022) (the “Plan”), effective as of January 1, 2024.

I.

The introduction preceding Article I of the Plan is hereby amended by inserting a new paragraph at the end thereof to read as follows:

“Effective as of the close of business on December 31, 2023, pursuant to an Instrument of Merger entered into by The Lincoln Electric Company and Fori Automation, LLC, the Fori Automation, Inc. Profit Sharing Trust & 401(k) Plan (the “Fori Plan”) merged with and into the Plan and all accounts held under the Fori Plan, were transferred to the Plan.”

II.

The first sentence of Subsection 1.1(6) of the Plan is hereby amended in its entirety to read as follows:

“The contributions made pursuant to Section 3.1 of the Plan, elective deferral contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants, elective deferral contributions made to the Harris Plan on behalf of Former Harris Plan Participants, elective deferral contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants, elective deferral contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants, elective deferral contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants, elective deferral contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants, elective deferral contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants, elective deferral contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants, elective deferral contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants, and elective deferral contributions made to the Fori Plan on behalf of Former Fori Plan Participants, in each case excluding Roth Contributions.”

III.

Subsection 1.1(20) of the Plan is hereby amended in its entirety to read as follows:

“(20) Disability: In the case of a Member who is a Former Weartech Plan Participant, a Former Pro-Systems Plan Participant, a Former Tennessee Rand Plan Participant or a Former Coldwater Plan Participant, Disability means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months. In the case of a Member who is a Former Rimrock Plan Participant or a Former Wolf Plan Participant, Disability means the Member suffers from a medically determinable physical or mental impairment that may be expected to result in death or to last for a continuous period of not less than twelve months and that renders him incapable of performing his duties. The permanence and degree of such impairment of a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant must be supported by medical evidence satisfactory to the Administrative Committee. In the case of a Member who is a Former Fori Plan Participant, a Member shall be considered to have incurred a Disability if such Member is determined to be disabled by the Member’s physician. In the case of all other Members, a Member shall be considered to have incurred a Disability if he is eligible for and receives disability insurance benefits under the Federal Social Security Act. A Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant or Former Coldwater Plan Participant who is eligible for and receives disability insurance benefits under the Federal Social Security Act shall be deemed to have incurred a Disability. A Member who incurs a Disability is ‘Disabled’.”

IV.

Section 1.1 of the Plan is hereby amended by (i) inserting new Subsections 1.1(32) and (33) immediately following existing Subsection 1.1(31) to read as follows and (ii) renumbering the succeeding Subsections of Section 1.1 accordingly:

“(32) Fori Plan: The Fori Automation, Inc. Profit Sharing Trust & 401(k) Plan, as in effect immediately prior to its merger into the Plan effective as of the close of business on December 31, 2023.

(33) Fori Prior Employer Contributions: Matching employer contributions and nonelective employer contributions, if any, made to the Fori Plan on behalf of Former

V.

Section 1.1 of the Plan is hereby amended by (i) inserting a new Subsection 1.1(35) immediately following existing Subsection 1.1(32) (renumbered as Subsection 1.1(34) by the foregoing) to read as follows and (ii) renumbering the succeeding Subsections of Section 1.1 accordingly:

“(35) Former Fori Plan Participant: Any person who immediately prior to the effective time of the merger of the Fori Plan into this Plan had amounts held on his behalf in one or more accounts maintained under the Fori Plan.”

VI.

Subsection 1.1(55) of the Plan (renumbered as Subsection 1.1(58) by the foregoing) is hereby amended in its entirety to read as follows:

“(58) Matching Employer Contributions: The contributions made pursuant to Section 4.1 of the Plan (or pursuant to any Instrument of Adoption), employer matching contributions made to the Weartech Plan on behalf of Former Weartech Plan Participants who were Employees on August 29, 2016, matching employer contributions made to the Harris Plan on behalf of Former Harris Plan Participants who were Employees on August 1, 2017, matching employer contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were employees of Rimrock Corporation on January 1, 2020, matching employer contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants who were employees of Wolf Robotics, LLC on January 1, 2020, qualified matching contributions made pursuant to the Rimrock Plan on behalf of Former Rimrock Plan Participants or the Wolf Plan on behalf of Former Wolf Plan Participants, matching employer contributions made to the Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants who (A) were employed by Pro-Systems, LLC on December 31, 2019 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC) on January 15, 2021, matching employer contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) were employed by Arc Products, Inc. on December 31, 2019 or (B) were employees of The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, matching employer contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) were employed by Tennessee Rand, Inc. on December 31, 2020 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to

Tennessee Rand, Inc.) on April 29, 2022, matching employer contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) were employed by Wayne Trail Technologies, Inc. on December 31, 2019 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022, matching employer contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants who (A) were employed by Coldwater Machine Company, LLC on December 31, 2019 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC) on June 15, 2022, and matching employer contributions made to the Fori Plan on behalf of Former Fori Plan Participants who were employed by Fori Automation, LLC on January 1, 2024.

VII.

Subsection 1.1(60) of the Plan (renumbered as Subsection 1.1(63) by the foregoing) is hereby amended in its entirety to read as follows:

“(63) Nonelective Employer Contributions: The contributions made pursuant to Section 4.6 of the Plan, nonelective employer contributions made to the Harris Plan on behalf of Former Harris Plan Participants who were Employees on August 1, 2017, nonelective employer contributions made to the Rimrock Plan on behalf of Former Rimrock Plan Participants who were employees of Rimrock Corporation on January 1, 2020, nonelective employer contributions made to the Wolf Plan on behalf of Former Wolf Plan Participants who were employees of Wolf Robotics, LLC on January 1, 2020, nonelective employer profit sharing contributions made to the Techalloy Plan on behalf of Former Techalloy Plan Participants who (A) were employed by Arc Products, Inc. on December 31, 2019 or (B) were employees of The Lincoln Electric Company (the successor to Arc Products, Inc.) on April 25, 2022, nonelective employer profit sharing contributions made to the Tennessee Rand Plan on behalf of Former Tennessee Rand Plan Participants who (A) were employed by Tennessee Rand, Inc. on December 31, 2020 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, nonelective employer profit sharing contributions made to the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants who (A) were employed by Wayne Trail Technologies, Inc. on December 31, 2019 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to Wayne Trail Technologies, Inc.) on May 2, 2022, nonelective employer profit sharing contributions made to the Coldwater Plan on behalf of Former Coldwater Plan Participants who (A) were employed by Coldwater Machine Company, LLC on December 31, 2019 or (B) were employees of Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC) on June 15, 2022, and nonelective employer contributions made to the Fori Plan on behalf of Former Fori Plan Participants who were employed by Fori Automation, LLC on January 1, 2024.”

VIII.

The last sentence of Subsection 1.1(68) (renumbered as Subsection 1.1(71) by the foregoing) is hereby amended in its entirety to read as follows:

“The term ‘Qualified Nonelective Contributions’ shall also include qualified nonelective contributions made pursuant to similar provisions of the Rimrock Plan on behalf of Former Rimrock Plan Participants, of the Wolf Plan on behalf of Former Wolf Plan Participants, of the Wayne Trail Plan on behalf of Former Wayne Trail Plan Participants or of the Fori Plan on behalf of Former Fori Plan Participants.”

IX.

Subsection 1.1(74) of the Plan (renumbered as Subsection 1.1(77) by the foregoing) is hereby amended in its entirety to read as follows:

“(77) Rollover Contributions: Cash or cash equivalents received and held by the Trustee pursuant to the provisions of Section 3.9, rollover contributions made to the Weartech Plan by Former Weartech Plan Participants, rollover contributions made to the Rimrock Plan by Former Rimrock Plan Participants, rollover contributions made to the Wolf Plan by Former Wolf Plan Participants, rollover contributions made to the Pro-Systems Plan by Former Pro-Systems Plan Participants, rollover contributions made to the Techalloy Plan by Former Techalloy Plan Participants, rollover contributions made to the Tennessee Rand Plan by Former Tennessee Rand Plan Participants, rollover contributions made to the Wayne Trail Plan by Former Wayne Trail Plan Participants, rollover contributions made to the Coldwater Plan by Former Coldwater Plan Participants, and rollover contributions made to the Fori Plan by Former Fori Plan Participants.”

X.

The first sentence of Subsection 1.1(75) of the Plan (renumbered as Subsection 1.1(78) by the foregoing) is hereby amended in its entirety to read as follows:

“The contributions made pursuant to Section 3.1 of the Plan which the Member has irrevocably designated as being contributed in lieu of all or a portion of the Before-Tax Contributions that the Member is otherwise eligible to make under the Plan, and which are treated by the Company as includible in the Member’s gross income pursuant to section 402A of the Code at the time the Member would have received that amount in cash if the Member had not elected to make the contribution, and Roth contributions made pursuant to similar provisions of the Rimrock Plan on behalf of Former Rimrock Plan Participants, of the Wolf Plan on behalf of Former Wolf Plan Participants, of the

Pro-Systems Plan on behalf of Former Pro-Systems Plan Participants, of the Coldwater Plan on behalf of Former Coldwater Plan Participants, or of the Fori Plan on behalf of Former Fori Plan Participants.”

XI.

Subsection 1.1(91)(b) of the Plan (renumbered as Subsection 1.1(94)(b) by the foregoing) is hereby amended in its entirety to read as follows:

“(b) is derived from Matching Employer Contributions and (i) in the case of a Member employed by the Company, Welding, Cutting, Tools & Accessories, LLC, J.W. Harris Co., Inc., Smart Force, LLC, Lincoln Global, Inc., Lincoln Electric Automation, Inc., and Fori Automation, LLC (but in the case of Members employed by J.W. Harris Co., Inc., Smart Force, LLC or the Seal Seat Division of Lincoln Global, Inc., only with respect to Members who are Employees on or after August 1, 2017 or who were Covered Employees prior to August 1, 2017 under the provisions of the Plan then in effect) is 100% nonforfeitable at all times, or (ii) in the case of all other Members is (A) 0% nonforfeitable prior to the Member’s completion of three Years of Vesting Service and (B) 100% nonforfeitable on and after the Member’s completion of three Years of Vesting Service; and”

XII.

The fourth sentence of Subsection 1.1(91) of the Plan (renumbered as Subsection 1.1(94) by the foregoing) and the table immediately following such sentence are hereby amended in their entirety to read as follows:

“Further notwithstanding the foregoing, but subject to Subsections 6.3(7), 6.3(9), 6.3(10), 6.3(11), 6.3(13), 6.3(15), and 6.3(16), (A) in the case of a Former Weartech Plan Participant who was not an Employee on August 29, 2016, the portion of such Former Weartech Plan Participant’s Account that is derived from Weartech Prior Matching Contributions, (B) in the case of a Former Rimrock Plan Participant who was not employed by Rimrock Corporation on January 1, 2020, the portion of such Former Rimrock Plan Participant’s Account that is derived from Rimrock Prior Employer Contributions, (C) in the case of a Former Wolf Plan Participant who was not employed by Wolf Robotics, LLC on January 1, 2020, the portion of such Former Wolf Plan Participant’s Account that is derived from Wolf Prior Employer Contributions, (D) in the case of a Former Pro-Systems Plan Participant who (i) was not employed by Lincoln Electric Automation, Inc. (the successor to Pro-Systems, LLC) on January 15, 2021, and (ii) was not employed by Pro-Systems, LLC on December 31, 2019, the portion of such Former Pro-Systems Plan Participant’s Account that is derived from Pro-Systems Prior Employer Contributions, (E) in the case of a Former Tennessee Rand Plan Participant

who (i) was not employed by Lincoln Electric Automation, Inc. (the successor to Tennessee Rand, Inc.) on April 29, 2022, and (ii) was not employed by Tennessee Rand, Inc. on December 31, 2019, the portion of such Former Tennessee Rand Plan Participant's Account that is derived from Tennessee Rand Prior Employer Contributions, (F) in the case of a Former Coldwater Plan Participant who (i) was not employed by Lincoln Electric Automation, Inc. (the successor to Coldwater Machine Company, LLC) on June 15, 2022, and (ii) was not employed by Coldwater Machine Company, LLC on December 31, 2019, the portion of such Former Coldwater Plan Participant's Account that is derived from Coldwater Prior Employer Contributions, and (G) in the case of a Former Fori Plan Participant who was not employed by Fori Automation, LLC on January 1, 2024, the portion of such Former Fori Plan Participant's Account that is derived from Fori Prior Employer Contributions, shall be nonforfeitable in accordance with the following table based on his Years of Vesting Service at any particular time:

<u>Years of Vesting Service</u>	Percent of Weartech Prior Matching Contributions, Rimrock Prior Employer Contributions, Wolf Prior Employer Contributions, Pro-Systems Prior Employer Contributions, Tennessee Rand Prior Employer Contributions, Coldwater Prior Employer Contributions, or Fori Prior Employer Contributions Nonforfeitable
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%”

XIII.

Subsection 1.1(91) of the Plan (renumbered as Subsection 1.1(94) by the foregoing) is hereby amended by inserting a new sentence immediately following the eighth sentence thereof to read as follows:

“Further notwithstanding the foregoing, in the case of a Former Fori Plan Participant who was not employed by Fori Automation, LLC on January 1, 2024, but again becomes an Employee employed by Fori Automation, LLC after January 1, 2024, the portion of such Employee's Account that is derived from Fori Prior Employer Contributions, and that has not previously become forfeited in accordance with Section 6.3, shall be 100%

nonforfeitable on and after the date such individual again becomes employed by Fori Automation, LLC.”

XIV.

Subsection 1.1(92)(b) of the Plan (renumbered as Subsection 1.1(95)(b) by the foregoing) is hereby amended in its entirety to read as follows:

“(b) Notwithstanding the foregoing paragraph (a), (i) in the case of any Employee (other than a Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Techalloy Plan Participant, Former Tennessee Rand Plan Participant, Former Coldwater Plan Participant, or Former Fori Plan Participant) who has a Break in Service and who does not have a nonforfeitable right to a benefit under the Plan, Years of Vesting Service before his Break in Service shall not be taken into account only if the number of his consecutive 1-Year Breaks in Service equals or exceeds the greater of five or the aggregate number of his Years of Vesting Service before his Break in Service; and such aggregate number of his Years of Vesting Service before his Break in Service shall not include any Years of Vesting Service not required to be taken into account under this paragraph by reason of any prior Break in Service, and (ii) an Employee shall not be credited with Vesting Service for any period after the termination of the Plan as to him.”

XV.

Subsection 1.1(92)(e) of the Plan (renumbered as Subsection 1.1(95)(e) by the foregoing) is hereby amended in its entirety to read as follows:

“(e) Further notwithstanding any other provision of the Plan to the contrary and solely to the extent such service is not otherwise credited under this Section 1.1(95), (i) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Years of Vesting Service shall also include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an “Employee” (as defined in the Plan) on November 14, 2012; (ii) with respect to any Former Weartech Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Weartech Plan as of December 31, 2015 (excluding any service that is disregarded under the terms of the Weartech Plan) and (B) for the Plan Year commencing January 1, 2016, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (iii) with respect to any Former Harris Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Harris Plan immediately prior to August 1, 2017 (excluding any service that is disregarded under the terms of the Harris Plan); (iv) with respect to any Former Rimrock Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Rimrock Plan immediately prior to January 1, 2020 (including vesting

service counted as part of the purchase of ABB divisions by Rimrock Holdings for those employees transitioned from ABB to Rimrock Automation as of July 23, 2003 and for those employees transitioned from ABB to Wolf Robotics as of November 16, 2003, but excluding any service that is disregarded under the terms of the Rimrock Plan); (v) with respect to any Former Wolf Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Wolf Plan immediately prior to January 1, 2020 (excluding any service that is disregarded under the terms of the Wolf Plan); (vi) with respect to any Former Pro-Systems Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Pro-Systems Plan immediately prior to January 15, 2021 (excluding any service that is disregarded under the terms of the Pro-Systems Plan) and (B) for the Plan Year commencing January 1, 2021, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (vii) with respect to any Former Techalloy Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Techalloy Plan immediately prior to April 25, 2022 (including service with Central Wire credited for vesting purposes as provided under the terms of the Techalloy Plan, but excluding any service that is disregarded under the terms of the Techalloy Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (viii) with respect to any Former Tennessee Rand Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Tennessee Rand Plan immediately prior to April 29, 2022 (excluding any service that is disregarded under the terms of the Tennessee Rand Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (ix) with respect to any Former Wayne Trail Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Wayne Trail Plan immediately prior to May 2, 2022 (excluding any service that is disregarded under the terms of the Wayne Trail Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); (x) with respect to any Former Coldwater Plan Participant, (A) Years of Vesting Service shall include service credited for vesting purposes under the Coldwater Plan immediately prior to June 15, 2022 (including service with Lincoln Electric Automation, Inc., Arctic Fox, LLC, The Coldwater Machine Company, Inc., North River Capital, LLC, Premium Supply, Inc. T-E INCORPORATED, Wayne Manufacturing, LLC, and MetalX, LLC credited for vesting purposes as provided under the terms of the Coldwater Plan, but excluding any service that is disregarded under the terms of the Coldwater Plan) and (B) for the Plan Year commencing January 1, 2022, Vesting Service shall be credited in accordance with Treasury Regulation section 1.410(a)-7(g); and (xi) with respect to any Former Fori Plan Participant, Years of Vesting Service shall include service credited for vesting purposes under the Fori Plan immediately prior to January 1, 2024 (excluding any service that is disregarded under the terms of the Fori Plan).”

XVI.

The reference to “Section 1.1(49)(b)” in Subsection 1.1(99) of the Plan (renumbered as Subsection 1.1(102) by the foregoing) is hereby deleted and replaced with a reference to “Subsection 1.1(53)(b)”.

XVII.

The last sentence of Subsection 1.1(99) of the Plan (renumbered as Subsection 1.1(102) by the foregoing) is hereby amended in its entirety to read as follows:

“Notwithstanding any other provision of the Plan to the contrary and solely to the extent such service is not otherwise credited under this Section 1.1(102), (a) in the case of an Employee who was employed by Kaliburn, Inc. prior to January 1, 2020, Years of Eligibility Service shall also include periods of employment with ITT Corporation prior to November 14, 2012, provided that such Employee was an “Employee” (as defined in the Plan) on November 14, 2012, (b) in the case of a Former Weartech Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Weartech Plan immediately prior to August 29, 2016, (c) in the case of a Former Harris Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Harris Plan immediately prior to August 1, 2017, (d) in the case of a Former Rimrock Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Rimrock Plan immediately prior to January 1, 2020, (e) in the case of a Former Wolf Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Wolf Plan immediately prior to January 1, 2020, (f) in the case of a Former Pro-Systems Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Pro-Systems Plan immediately prior to January 15, 2021, (g) in the case of a Former Techalloy Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Techalloy Plan immediately prior to April 25, 2022 (including service with Central Wire credited for eligibility purposes as provided under the terms of the Techalloy Plan), (h) in the case of a Former Tennessee Rand Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Tennessee Rand Plan immediately prior to April 29, 2022, (i) in the case of a Former Wayne Trail Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Wayne Trail Plan immediately prior to May 2, 2022, (j) in the case of a Former Coldwater Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Coldwater Plan immediately prior to June 15, 2022 (including service with Lincoln Electric Automation, Inc., Arctic Fox, LLC, The Coldwater Machine Company, Inc., North River Capital, LLC, Premium Supply, Inc. T-E

INCORPORATED, Wayne Manufacturing, LLC, or MetalX, LLC credited for eligibility purposes as provided under the terms of the Coldwater Plan), and (k) in the case of a Former Fori Plan Participant, Years of Eligibility Service shall include any service credited for eligibility purposes under the Fori Plan immediately prior to January 1, 2024.”

XVIII.

The reference to “Section 1.1(92)” in Subsection 1.1(100) of the Plan (renumbered as Subsection 1.1(103) by the foregoing) is hereby deleted and replaced with a reference to “Subsection 1.1(95)”.

XIX.

Section 1.2 of the Plan is hereby amended by inserting a new Subsection 1.2(16) at the end thereof to read as follows:

“(16) The benefits payable to a Former Fori Plan Participant under the Fori Plan whose employment with the Controlled Group terminated, including by reason of death, before January 1, 2024 (and who is not rehired by a Controlled Group Member on or after January 1, 2024) shall be determined by and paid in accordance with the terms and provisions of the Fori Plan as in effect at the date of such termination, except to the extent that certain provisions of the Plan apply to such individual as a result of applicable law or the context clearly requires the application of such provision to such individual.”

XX.

Section 2.1 of the Plan is hereby amended by inserting a new sentence at the end thereof to read as follows:

“Further, notwithstanding the preceding provisions of this Section, for purposes of becoming an Eligible Employee on January 1, 2024, the requirement of Subsection (2) of this Section was waived in the case of a Covered Employee who, as of December 31, 2023, was employed by Fori Automation, LLC and had satisfied the age and service eligibility requirements to participate in the Fori Plan.”

XXI.

Section 2.2 of the Plan is hereby amended by inserting a new Subsection 2.2(10) at the end thereof to read as follows:

“(10) A Former Fori Plan Participant who had an account under the Fori Plan immediately prior to the effective time of the merger of the Fori Plan into this Plan but did not become a Member pursuant to Subsection (1), shall become a Member on January 1, 2024 upon such merger, but shall not be eligible to have Before-Tax Contributions or Roth Contributions made for him unless he is an Eligible Employee and enrolls in the Plan in accordance with Subsection (1).”

XXII.

Subsection 2.5(1) of the Plan is hereby amended by inserting a new sentence at the end thereof to read as follows

“Further, notwithstanding the preceding provisions of this Section, for purposes of becoming a Matching Contribution Participant on January 1, 2024, the requirements of Subsection (1) (b) of this Section were waived in the case of a Covered Employee who, as of December 31, 2023, (i) was employed as a regular, full-time employee of Fori Automation, LLC, or (ii) was not a regular, full-time employee and was employed by Fori Automation, LLC and had satisfied the age and service eligibility requirements to participate in the Fori Plan.”

XXIII.

The first sentence of Section 5.2 of the Plan is hereby amended in its entirety to read as follows:

“The Company shall establish and maintain, or cause to be established and maintained, an Account for each Member, which Account shall reflect, pursuant to Sub-Accounts established and maintained thereunder, the amount, if any, of the Member’s (1) Before Tax Contributions, (2) Roth Contributions, (3) Rollover Contributions, (4) Prior ESOP Contributions, (5) Matching Employer Contributions, (6) Qualified Nonelective Contributions, (7) Nonelective Employer Contributions, (8) Transitional Employer Contributions, (9) FSP Contributions, (10) FSP Plus Contributions, (11) Weartech Prior Matching Contributions, (12) Harris Prior Employer Contributions, (13) Rimrock Prior Employer Contributions, (14) Wolf Prior Employer Contributions, (15) Pro-Systems Prior Employer Contributions, (16) Techalloy Prior Employer Contributions, (17) Tennessee Rand Prior Employer Contributions, (18) Wayne Trail Prior Employer Contributions, (19) Coldwater Prior Employer Contributions, and (20) Fori Prior Employer Contributions.”

The last sentence of Subsection 5.8(1) of the Plan is hereby amended in its entirety to read as follows:

“Each loan shall be charged against the Member’s Vested Interest in his Sub-Accounts as follows: first, against the Member’s Rollover Contributions Sub-Account (excluding the Roth Rollover Contributions Sub-Account), if any; second, to the extent necessary, against the Member’s Before-Tax Contributions Sub-Account, if any; third, to the extent necessary, against the Member’s Qualified Nonelective Contributions Sub-Account, if any; fourth, to the extent necessary, against the Member’s Matching Employer Contributions Sub-Account, if any; fifth, to the extent necessary, against the Member’s Nonelective Employer Contributions Sub-Account, if any; sixth, to the extent necessary, against the Member’s Transitional Employer Contributions Sub-Account, if any; seventh, to the extent necessary, against the Member’s Prior ESOP Contributions Sub-Account, if any; eighth, to the extent necessary, against the Member’s Weartech Prior Matching Contributions Sub-Account, if any; ninth, to the extent necessary, against the Member’s FSP Contributions Sub-Account; tenth, to the extent necessary, against the Member’s FSP Plus Contributions Sub-Account; eleventh, to the extent necessary, against the Member’s Harris Prior Employer Contributions Sub-Account, if any; twelfth, to the extent necessary, against the Member’s Roth Rollover Contributions Sub-Account; thirteenth, to the extent necessary, against the Member’s Roth Contributions Sub-Account; fourteenth, to the extent necessary, against the Member’s Rimrock Prior Employer Contributions Sub-Account, if any; fifteenth, to the extent necessary, against the Member’s Wolf Prior Employer Contributions Sub-Account, if any; sixteenth, to the extent necessary, against the Member’s Pro-Systems Prior Employer Contributions Sub-Account, if any; seventeenth, to the extent necessary, against the Member’s Techalloy Prior Employer Contributions Sub-Account, if any; eighteenth, to the extent necessary, against the Member’s Tennessee Rand Prior Employer Contributions Sub-Account, if any; nineteenth, to the extent necessary, against the Member’s Wayne Trail Prior Employer Contributions Sub-Account, if any; twentieth, to the extent necessary, against the Member’s Coldwater Prior Employer Contributions Sub-Account, if any; and twenty-first, to the extent necessary, against the Member’s Fori Prior Employer Contributions Sub-Account, if any.”

Section 5.8 of the Plan is hereby amended by inserting a new Subsection 5.8(12) at the end thereof to read as follows:

“(12) Loans outstanding under the Fori Plan as of the close of business on December 31, 2023 were transferred to the Plan and shall continue to be governed by the terms in effect for such loans under the Fori Plan on December 31, 2023.”

XXVI.

The reference to “Subsection 1.1(91)” in Subsection 6.3(5) of the Plan is hereby deleted and replaced with a reference to “Subsection 1.1(94)”.

XXVII.

Section 6.3 of the Plan is hereby amended by inserting a new Subsection 6.3(16) at the end thereof to read as follows:

“(16) If a Former Fori Plan Participant who forfeited all or a portion of his interest under the Fori Plan on account of a distribution (or deemed distribution) to him from the Fori Plan prior to January 1, 2024 is reemployed as an Eligible Employee under this Plan on or after January 1, 2024 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Fori Plan Participant shall have the right to repay to the Trust Fund the full amount of the distribution on or before the earlier of (a) the date such Former Fori Plan Participant incurs five consecutive 1-Year Breaks in Service following the date of distribution or (b) the end of the five-year period beginning with the date on which such Former Fori Plan Participant is reemployed. If a Former Fori Plan Participant who received a deemed distribution from the Fori Plan prior to January 1, 2024 is reemployed as an Eligible Employee on or after January 1, 2024 but prior to incurring five consecutive 1-Year Breaks in Service, such Former Fori Plan Participant will be deemed to have immediately repaid such distribution to the Plan. In the event of a repayment as described in this Subsection, the Former Fori Plan Participant’s Years of Vesting Service to which such payment related shall be reinstated and an Account shall be established for such Former Fori Plan Participant with a value that is not less than the sum of the amount of the distribution and the amount forfeited at the time the distribution was made, unadjusted for any subsequent gains or losses. Thereafter, the portion of such Former Fori Plan Participant’s Account that is derived from Fori Prior Employer Contributions shall be 100% nonforfeitable. The sources for restoration of the Former Fori Plan Participant’s forfeitures shall, in the discretion of the Employer, be income or gain to the Plan, forfeitures or Employer Contributions.”

XXVIII.

The reference to “Subsection 1.1(91)” in Section 6.4 of the Plan is hereby deleted and replaced with a reference to “Subsection 1.1(94)”.

XXIX.

The first sentence of Subsection 6.7(1) of the Plan is hereby amended in its entirety to read as follows:

“A Member who is an Employee and who has obtained all distributions and withdrawals (including distributions of dividends from his ESOP Account under section 404(k) of the Code but not Hardship distributions) then available under all plans maintained by the Controlled Group may request, on a form provided by and filed with the Committee, a withdrawal on account of Hardship of all or a part of his Vested Interest in the following Sub-Accounts (including earnings thereon): Rollover Contributions Sub-Account (excluding the Roth Rollover Contributions Sub-Account), Before-Tax Contributions Sub-Account, Matching Employer Contributions Sub-Account, Nonelective Employer Contributions Sub-Account, Transitional Employer Contributions Sub-Account, Prior ESOP Contributions Sub-Account, Weartech Prior Matching Contributions Sub-Account, FSP Contributions Sub-Account, FSP Plus Contributions Sub-Account, Harris Prior Employer Contributions Sub-Account, Roth Rollover Contributions Sub-Account, Roth Contributions Sub-Account, Rimrock Prior Employer Contributions Sub-Account, Wolf Prior Employer Contributions Sub-Account, Pro-Systems Prior Employer Contributions Sub-Account, and Fori Prior Employer Contributions Sub-Account.”

XXX.

Section 6.8 of the Plan is hereby amended in its entirety to read as follows:

“6.8 **Effect of Five Consecutive 1-Year Breaks in Service on Vesting Service.** If a Member’s Employment Severance occurs and he is subsequently rehired as an Employee after incurring five consecutive 1 Year Breaks in Service, Years of Vesting Service after such five year period shall not be taken into account for the purpose of determining his Vested Interest in the amount attributable to Employer Contributions, Weartech Prior Matching Contributions, Harris Prior Employer Contributions, Rimrock Prior Employer Contributions, Wolf Prior Employer Contributions, Pro-Systems Prior Employer Contributions, Techalloy Prior Employer Contributions, Tennessee Rand Prior Employer Contributions, Wayne Trail Prior Employer Contributions, Coldwater Prior Employer Contributions, or Fori Prior Employer Contributions allocated to his Account before such five year period.”

XXXI.

The portion of Section 9.4 of the Plan preceding the colon is hereby amended in its entirety to read as follows:

“9.4 **Disability Claims and Review Procedure for Former Weartech, Rimrock, Wolf, Pro-Systems, Tennessee Rand, Coldwater, and Fori Plan Participants.** Notwithstanding any other provision of this Article IX to the contrary, in the case of a determination of Disability (other than pursuant to the Federal Social Security Act) involving a Former Weartech Plan Participant, Former Rimrock Plan Participant, Former Wolf Plan Participant, Former Pro-Systems Plan Participant, Former Tennessee Rand Plan Participant, Former Coldwater Plan Participant or Former Fori Plan Participant, the following claims procedures and review procedures shall apply on or after April 1, 2018:”

XXXII.

Exhibit A to the Plan is hereby amended in its entirety to read as follows:

“EXHIBIT A

**Participating Employers
as of January 1, 2024**

The Lincoln Electric Company
J.W. Harris Co., Inc.
Lincoln Global, Inc.
Welding, Cutting, Tools & Accessories, LLC
Smart Force, LLC
Lincoln Electric Automation, Inc.
Fori Automation, LLC”

XXXIII.

This Amendment No. 2 may be executed by electronic signature via DocuSign or by delivery of a scanned, executed copy via facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, each of which will have the same effect as physical delivery of the paper document bearing an original signature.

NAI-1538827402v7

EXECUTED at Cleveland, Ohio this 26th day of December, 2023.

THE LINCOLN ELECTRIC COMPANY

By: /s/ Michele Kuhrt_____

Name: Michele Kuhrt

Title: Executive Vice President, Chief Human

Resources Officer_____

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[Non-Employee Directors– 20__]

LINCOLN ELECTRIC HOLDINGS, INC.

2023 STOCK PLAN FOR NON-EMPLOYEE DIRECTORS

Restricted Stock Unit Agreement

WHEREAS, Lincoln Electric Holdings, Inc. maintains the Company’s 2023 Stock Plan for Non-Employee Directors, and as may be amended from time to time (the “Plan”), pursuant to which the Company may award Restricted Stock Units (“RSUs”) to non-employee Directors of the Company;

WHEREAS, the Grantee, whose name is set forth on the “Dashboard” tab on the Morgan Stanley StockPlan Connect portal, a secure third-party vendor website used by the Company (to be referred to herein as the “Grant Summary”), is a non-employee Director of the Company;

WHEREAS, the Grantee was awarded RSUs under the Plan by the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company on the Date of Grant in 20__, as set forth on the Grant Summary (the “Date of Grant”), and the execution of an Evidence of Award in the form hereof (this “Agreement”) has been authorized by a resolution of the Committee duly adopted on such date.

NOW, THEREFORE, pursuant to the Plan and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby confirms to the Grantee the award of the number of RSUs set forth on the Grant Summary.

1. **Definitions.** Unless otherwise defined in this Agreement (including on Exhibit A hereto), terms used in this Agreement with initial capital letters will have the meanings assigned to them in the Plan. Certain terms used herein with initial capital letters will have the meanings set forth on Exhibit A hereto.
 2. **Issuance of RSUs.** The RSUs covered by this Agreement shall be issued to the Grantee effective upon the Date of Grant. Each RSU constitutes the right of the Grantee to receive one Common Share (and dividend equivalents with respect thereto) (or to have one Common Share (and dividend equivalents with respect thereto) credited to the Grantee’s account under the Deferred Compensation Plan, if elected) upon the Grantee’s Distribution Date. The Grantee shall not have the rights of a shareholder with respect to such RSUs, except as provided in Section 9, provided that such RSUs, together with any additional RSUs that the Grantee may become entitled to receive by virtue of a share dividend, a merger or a reorganization in which Lincoln Electric Holdings, Inc. is the surviving corporation or any other change in the capital structure of Lincoln Electric Holdings, Inc., shall be subject to the restrictions hereinafter set forth.
 3. **Restrictions on Transfer of RSUs.** Subject to Section 14 of the Plan, the RSUs subject to this grant may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, except to the Company, until the Distribution Date; **provided, however,** that the Grantee’s rights with respect to such RSUs may be transferred by will or pursuant to the laws of descent and distribution. Any purported transfer or encumbrance in violation of the provisions of this Section 3 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such RSUs or
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the underlying Common Shares or dividend equivalents. The Company in its sole discretion, when and as permitted by the Plan, may waive the restrictions on transferability with respect to all or a portion of the RSUs subject to this Agreement.

4. Vesting of RSUs. Subject to the terms and conditions of Sections 5 and 6 hereof, all of the RSUs covered by this Agreement shall vest immediately after one full year from the Date of Grant if the Grantee shall have served continuously as a Director for that entire period.
 5. Effect of Change in Control. Unless otherwise determined by the Committee, in the event a Change in Control occurs after the Date of Grant but before the RSUs covered by the Agreement vest pursuant to Section 4 or 6 of this Agreement, the RSUs shall vest to the extent provided in Section 11 of the Plan.
 6. Effect of Death, Disability, or Retirement; Forfeiture.
 - (a) If the Grantee's service as a Director of the Company should terminate because of the Grantee's death or if the Grantee should incur a Disability prior to the vesting otherwise provided for in Section 4, 5, or 6 hereof, the RSUs subject to this Agreement shall immediately vest in full.
 - (b) If the Grantee's service as a Director of the Company should terminate because of the Grantee's Retirement, prior to the vesting otherwise provided for in Section 4, 5, or 6 hereof, a *pro rata* portion of the RSUs subject to this Agreement shall immediately vest. The *pro rata* portion that shall vest shall be determined by multiplying the total number of RSUs subject to this Agreement by the number of days the Grantee has served as a Director of the Company from the Date of Grant through the date of Retirement, divided by the number of days from the Date of Grant to the date the RSUs would have vested under Section 4 hereof if the Grantee had remained a Director of the Company through such date (rounded down to the nearest whole Common Share). Any RSUs that remain unvested in connection with the Grantee's Retirement will be forfeited.
 - (c) Upon the termination of the Grantee's service as a Director of the Company, all RSUs that have not become vested prior to or at the time of such termination shall be forfeited.
 7. Time of Payment of RSUs. Payment of the RSUs shall be made within 60 days of the date on which such RSUs become vested and in all events within the short-term deferral period specified in Treasury Regulation § 1.409A-1(b)(4).
 8. Deferral of RSUs. The Grantee may elect to defer receipt of the Common Shares underlying the RSUs subject to this Agreement beyond the Distribution Date (and to defer the dividend equivalents with respect thereto), pursuant to and in accordance with the terms of the Deferred Compensation Plan.
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9. Dividend Equivalents and Other Rights.
- (a) Except as provided in this Section, the Grantee shall not have any of the rights of a shareholder with respect to the RSUs covered by this Agreement; provided, however, that any additional Common Shares, share rights or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company shall be subject to the same restrictions as the RSUs covered by this Agreement.
 - (b) The Grantee shall have the right to receive dividend equivalents with respect to the Common Shares underlying the RSUs on a deferred basis and contingent on the vesting of the RSUs. Dividend equivalents in the RSUs covered by this Agreement shall be sequestered by the Company from and after the Date of Grant until the Distribution Date, whereupon such dividend equivalents shall be paid to the Grantee in the form of cash (or credited to the Grantee's account under the Deferred Compensation Plan, if elected), to the extent such dividend equivalents are attributable to RSUs that have become non-forfeitable. To the extent that RSUs covered by this Agreement are forfeited pursuant to Section 6 hereof, all the dividend equivalents sequestered with respect to such RSUs shall also be forfeited. No interest shall be payable with respect to any such dividend equivalents.
 - (c) Under no circumstances will the Company distribute or credit dividend equivalents paid on RSUs as described in Section 9(b) until the Grantee's Distribution Date. The Grantee will not be entitled to vote the Common Shares underlying the RSUs until the Grantee receives such Common Shares on or after the Distribution Date.
 - (d) Notwithstanding anything to the contrary in this Section 9, to the extent that any of the RSUs become vested pursuant to this Agreement and the Grantee elects pursuant to Section 8 to defer receipt of the Common Shares underlying the RSUs beyond the Distribution Date (and dividend equivalents with respect thereto) in accordance with the terms of the Deferred Compensation Plan, then the right to receive dividend equivalents thereafter will be governed by the Deferred Compensation Plan from and after the Distribution Date.
10. No Right to Continued Service. The Plan and this Agreement will not confer upon the Grantee any right with respect to the continuance of service as a Director of the Company.
11. Agreement Subject to the Plan. The RSUs evidenced by this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern.
12. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that subject to Section 10 of the Plan and Section 15 of this Agreement, no such amendment shall adversely affect the rights of the Grantee with respect to the RSUs without the Grantee's consent.
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13. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.
 14. Governing Law/Venue. This Agreement is made under, and will be construed in accordance with, the internal substantive laws of the State of Ohio. All legal actions or proceedings relating to this Agreement shall be brought exclusively in the U.S. District Court for the Northern District of Ohio, Eastern Division or the Cuyahoga County Court of Common Pleas, located in Cuyahoga County, Ohio.
 15. **RSUs Subject to Clawback Policy. Notwithstanding anything in this Agreement to the contrary, (a) this Agreement and the RSUs covered by this Agreement (and the Grantee's other performance-based incentive compensation or related amounts) shall be subject to the Company's Supplemental Recovery of Funds Policy (or any similar clawback policy applicable to the Grantee), with which the Grantee shall comply, under the their terms and conditions as may be in effect from time to time, including, without limitation, to implement Section 10D of the Exchange Act and any applicable rules or regulations (including applicable rules and regulations of any national securities exchange or national securities association on which the Common Shares may be traded (the "Compensation Recovery Policy")), and (b) the Grantee acknowledges and agrees that any and all applicable provisions of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.**
 16. Code Section 409A. To the extent applicable, it is intended that this Agreement be designed and operated within the requirements of Section 409A of the Code (including any applicable exemptions) and, in the event of any inconsistency between any provision of this Agreement or the Plan and Section 409A of the Code, the provisions of Section 409A of the Code shall control. Any provision in the Plan or this Agreement that is determined to violate the requirements of Section 409A of the Code shall be void and without effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee). Any provision that is required by Section 409A of the Code to appear in the Agreement that is not expressly set forth herein shall be deemed to be set forth herein, and the Agreement shall be administered in all respects as if such provision was expressly set forth herein. Any reference in the Agreement to Section 409A of the Code or a Treasury Regulation section shall be deemed to include any similar or successor provisions thereto.
 17. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Grantee's consent to participate in the
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Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

The Grantee hereby acknowledges receipt of this Agreement and accepts the RSUs evidenced hereby subject to the terms and conditions of the Plan and the terms and conditions herein above set forth and represents that the Grantee understands the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if the Grantee manually signed this Agreement.

THIS AGREEMENT is executed in the name and on behalf of the Company on the Date of Grant as set forth in the Grant Summary.

LINCOLN ELECTRIC HOLDINGS, INC.

[INSERT SIGNATURE]

Name:
Title:

EXHIBIT A

For purposes of this Agreement, the following terms shall have the following meanings:

1. “Deferred Compensation Plan” means the Lincoln Electric Holdings, Inc. Non-Employee Directors’ Deferred Compensation Plan, in effect from time to time.
 2. “Disability” means the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
 3. “Distribution Date” means the date on which the Common Shares represented by vested RSUs shall be distributed to the Grantee as specified in Section 7 (or would have been so distributed absent an election under the Deferred Compensation Plan).
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**LINCOLN ELECTRIC HOLDINGS, INC.
SUBSIDIARIES OF THE REGISTRANT**

The Company's subsidiaries and joint ventures are listed in the following table:

Name	Country of Incorporation
A. B. Arriendos S.A.	Chile
Claremont IC	United States
Ductil SA	Romania
Europäische Holding Intercito GmbH	Switzerland
Fori Asia Holdings Co., Limited	Hong Kong
Fori Automation de Mexico S. de R.L. de C.V.	Mexico
Fori Automation GmbH	Germany
Fori Automation Holding Co., Limited	Hong Kong
Fori Automation India Private Limited	India
Fori Automation, LLC	United States
Fori Automation Real Estate S. de R.L. de C.V.	Mexico
Fori Automation Services S. de R.L. de C.V.	Mexico
Fori Automation S.L.	Spain
Fori Bernd (Beijing) Automation Equipment Co., Limited	China
Fori Korea Ltd.	South Korea
Fori Technologies (Proprietary) Limited	South Africa
Fori UK Limited	United Kingdom
Hangzhou SAF Oerlikon Welding & Cutting Co., LTD. (China)	China
Harris Calorific International Sp. z o.o.	Poland
J.W. Harris Co., Inc.	United States
Kaynak Teknigi Sanayi ve Ticaret A.S.	Turkey
LE Torreon BCS, S. de R.L. de C.V.	Mexico
Lincoln Canada Holdings ULC	Canada
Lincoln Electric Automation, Inc.	United States
Lincoln Electric Bester Sp. z o.o.	Poland
Lincoln Electric Company (India) Private Limited	India
Lincoln Electric Company of Canada GP 2 Limited	Canada
Lincoln Electric Company of Canada LP	Canada
Lincoln Electric Deutschland GMBH	Germany
Lincoln Electric do Brasil Indústria e Comércio Ltda.	Brazil
Lincoln Electric Dutch Holdings B.V.	The Netherlands
Lincoln Electric Europe B.V.	The Netherlands
Lincoln Electric France S.A.S.	France
Lincoln Electric GmbH	Germany
Lincoln Electric Iberia, S.L.	Spain
Lincoln Electric India Holdings, Inc.	United States
Lincoln Electric International Holding Company	United States
Lincoln Electric Italia S.r.l.	Italy

Name	Country of Incorporation
Lincoln Electric Japan K.K.	Japan
Lincoln Electric Luxembourg S.ar.l.	Luxembourg
Lincoln Electric Malaysia SDN BHD	Malaysia
Lincoln Electric Management (Shanghai) Co., Ltd.	China
Lincoln Electric Manufactura, S.A. de C.V.	Mexico
Lincoln Electric Maquinas, S. de R.L. de C.V.	Mexico
Lincoln Electric Mexicana, S.A. de C.V.	Mexico
Lincoln Electric Middle East FZE	United Arab Emirates
Lincoln Electric North America, Inc.	United States
Lincoln Electric Portugal, S.A.	Portugal
Lincoln Electric S.A.	Argentina
Lincoln Electric (Tangshan) Welding Materials Co., Ltd.	China
Lincoln Electric (Thailand) Ltd.	Thailand
Lincoln Electric (U.K.) Ltd.	United Kingdom
Lincoln Electric UK Holdings Limited	United Kingdom
Lincoln Global, Inc.	United States
Lincoln Maquila Principal LLC	United States
Lincoln Maquinas Holdings LLC	United States
Lincoln Mexico Holdings LLC	United States
Lincoln Nanjing Holdings LLC	United States
Lincoln Singapore Holdings LLC	United States
Lincoln Soldaduras de Colombia Ltda.	Colombia
Mezhgosmetiz – Mtsensk (MGM)	Russia
Oerlikon Kaynak Elektrolari Ve Sanayi Anonim Sirketi	Turkey
Powermig Automacao e Soldagem Ltda.	Brazil
PT Lincoln Electric Indonesia	Indonesia
PT Lincoln Indoweld	Indonesia
Robolution GmbH	Germany
Specialised Welding Products Pty. Ltd.	Australia
Tenwell Development Pte. Ltd.	Singapore
The Lincoln Electric Company	United States
The Lincoln Electric Company (Asia Pacific) Pte. Ltd.	Singapore
The Lincoln Electric Company (Australia) Proprietary Limited	Australia
The Lincoln Electric Company (New Zealand) Limited	New Zealand
The Lincoln Electric Company of South Africa (Pty) Ltd.	South Africa
The Nanjing Lincoln Electric Co., Ltd.	China
The Shanghai Lincoln Electric Co., Ltd.	China
Welding, Cutting, Tools & Accessories, LLC	United States
WRE III, LLC	United States
WRE IV, LLC	United States
Zeman Bauelemente Produktionsgesellschaft mbH	Austria

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for The Lincoln Electric Company Employee Savings Plan (Form S-8 Nos. 333-107114 and 333-132036),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. (as successor to The Lincoln Electric Company) for The Lincoln Electric Company Employee Savings Plan, including Post-Effective Amendment No. 1 (Form S-8 No. 033-64187),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. (as successor to The Lincoln Electric Company) for the 1995 Lincoln Stock Purchase Plan, including Post-Effective Amendment No. 1 (Form S-8 No. 033-64189),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for the 2006 Equity and Performance Incentive Plan (Form S-8 No. 333-134212),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for the 2006 Stock Plan for Non-Employee Directors (Form S-8 No. 333-134210),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for the 2015 Equity and Incentive Compensation Plan (Form S-8 No. 333-203602),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for the 2015 Stock Plan for Non-Employee Directors (Form S-8 No. 333-203603),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for The Lincoln Electric Company Employee Savings Plan (As Amended and restated Effective January 1, 2010), as amended (Form S-8 No. 333-203604),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for The Lincoln Electric Company Restoration Plan (Form S-8 No. 333-215168),

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for the 2023 Equity and Incentive Compensation Plan (Form S-8 No. 333-271467), and

Form S-8 Registration Statement of Lincoln Electric Holdings, Inc. for the 2023 Stock Plan for Non-Employee Directors (Form S-8 No. 333-271468);

of our reports dated February 27, 2024, with respect to the consolidated financial statements and schedule of Lincoln Electric Holdings, Inc. and the effectiveness of internal control over financial reporting of Lincoln Electric Holdings, Inc. included in this Annual Report (Form 10-K) of Lincoln Electric Holdings, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Cleveland, Ohio
February 27, 2024

POWER OF ATTORNEY

Directors of Lincoln Electric Holdings, Inc.

Each of the undersigned Directors of Lincoln Electric Holdings, Inc. hereby appoints Christopher L. Mapes, Steven B. Hedlund, Gabriel Bruno and Jennifer I. Ansberry, and each of them, as attorneys for the undersigned, for and in the name, place and stead of the undersigned in the capacity specified, to prepare or cause to be prepared, to execute and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Act"), an Annual Report on Form 10-K for the year ended December 31, 2023 relating to Lincoln Electric Holdings, Inc., such other periodic reports as may be required pursuant to the Act, amendments and exhibits to any of the foregoing and any and all other documents to be filed with the Securities and Exchange Commission or elsewhere pertaining to such reports, with full power and authority to take any other action deemed necessary or appropriate to effect the filing of the documents.

Executed the date set forth below.

<u>/s/ Steven B. Hedlund</u> Steven B. Hedlund, Director February 20, 2024	<u>/s/ Curtis E. Espeland</u> Curtis E. Espeland, Director February 20, 2024	<u>/s/ Brian D. Chambers</u> Brian D. Chambers, Director February 20, 2024
<u>/s/ Bonnie J. Fetch</u> Bonnie J. Fetch, Director February 20, 2024	<u>/s/ Patrick P. Goris</u> Patrick P. Goris, Director February 20, 2024	<u>/s/ Christopher L. Mapes</u> Christopher L. Mapes, Director February 20, 2024
<u>/s/ Michael F. Hilton</u> Michael F. Hilton, Director February 20, 2024	<u>/s/ Marc A. Howze</u> Marc A. Howze, Director February 20, 2024	<u>/s/ Kathryn Jo Lincoln</u> Kathryn Jo Lincoln, Director February 20, 2024
<u>/s/ Phillip J. Mason</u> Phillip J. Mason, Director February 20, 2024	<u>/s/ Ben P. Patel</u> Ben P. Patel, Director February 20, 2024	<u>/s/ Hellene S. Runtagh</u> Hellene S. Runtagh, Director February 20, 2024
<u>/s/ Kellye L. Walker</u> Kellye L. Walker, Director February 20, 2024		

CERTIFICATION

I, Steven B. Hedlund, certify that:

1. I have reviewed this annual report on Form 10-K of Lincoln Electric Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2024

/s/ Steven B. Hedlund

Steven B. Hedlund

President and Chief Executive Officer

CERTIFICATION

I, Gabriel Bruno, certify that:

1. I have reviewed this annual report on Form 10-K of Lincoln Electric Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2024

/s/ Gabriel Bruno

Gabriel Bruno

Executive Vice President, Chief Financial
Officer and Treasurer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Lincoln Electric Holdings, Inc. (the "Company") for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date: February 27, 2024

/s/ Steven B. Hedlund

Steven B. Hedlund

President and Chief Executive Officer

/s/ Gabriel Bruno

Gabriel Bruno

Executive Vice President, Chief Financial
Officer and Treasurer

LINCOLN ELECTRIC HOLDINGS, INC.**Clawback Policy
Effective October 2, 2023****Purpose**

As required pursuant to the listing standards of the Nasdaq Stock Market (the “**Stock Exchange**”), Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Rule 10D-1 under the Exchange Act, the Board of Directors (the “**Board**”) of LINCOLN ELECTRIC HOLDINGS, INC. (the “**Company**”) has adopted this Clawback Policy (the “**Policy**”) to empower the Company to recover Covered Compensation (as defined below) erroneously awarded to a Covered Officer (as defined below) in the event of an Accounting Restatement (as defined below).

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the “**SEC**”), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the “**Final Guidance**”). Questions regarding this Policy should be directed to the Company’s Chief Human Resources Officer.

Policy Statement

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Covered Officer the Covered Compensation Received (as defined below) by such Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each, an “**Accounting Restatement**”). If a Clawback Exception applies with respect to a Covered Officer, the Company may forgo such recovery under this Policy from such Covered Officer.

Covered Officers

For purposes of this Policy, “**Covered Officer**” is defined as any current or former “Section 16 officer” of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Compensation and Executive Development Committee of the Board (the “**Committee**”). Covered Officers include, at a minimum, “executive officers” as defined in Rule 3b-7 under the Exchange Act and

identified under Item 401(b) of Regulation S-K.

Covered Compensation

For purposes of this Policy:

- “**Covered Compensation**” is defined as the amount of Incentive-Based Compensation (as defined below) Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts, and computed without regard to any taxes paid.

Incentive-Based Compensation Received by a Covered Officer will only qualify as Covered Compensation if: (i) it is Received on or after October 2, 2023; (ii) it is Received after such Covered Officer begins service as a Covered Officer; (iii) such Covered Officer served as a Covered Officer at any time during the performance period for such Incentive-Based Compensation; and (iv) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate.

- “**Incentive-Based Compensation**” is defined as any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, other than tax-qualified retirement plans, including long term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.
 - “**Financial Reporting Measure**” is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also
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Financial Reporting Measures.

- Incentive-Based Compensation is deemed “*Received*” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recovery Period

For purposes of this Policy, the applicable “*Recovery Period*” is defined as the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company’s fiscal year within or immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).

For purposes of this Policy, the “*Trigger Date*” as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.

Clawback Exceptions

The Company is required to recover all Covered Compensation Received by a Covered Officer in the event of an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a “*Clawback Exception*” applies):

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Covered Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);
 - recovery would violate home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such opinion to the Stock Exchange); or
 - recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to
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meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code and regulations thereunder. For purposes of clarity, this Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

Prohibitions

The Company is prohibited from paying or reimbursing the cost of insurance for, or indemnifying, any Covered Officer against the loss of erroneously awarded Covered Compensation.

Administration and Interpretation

The Committee will administer this Policy in accordance with the Final Guidance, and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in the Policy, subject to the Final Guidance. The Committee will review the Policy from time to time and will have full and exclusive authority to take any action it deems appropriate.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Disclosure

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company's filings with the SEC, will be disclosed as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.
