



Lincoln Electric System

LES RESOLUTION 2020-11

WHEREAS, Lincoln Electric System (“LES”) has provided a retirement benefit to its employees since 1972, which benefit is provided in the Lincoln Electric System Employees’ 401(k) Retirement Plan (the “401(k) Plan”), which has been amended from time to time and was last amended and restated in December 2019; and

WHEREAS, LES reserves the right to amend the 401(k) Plan by action of the LES Administrative Board pursuant to Section 8.1 of the 401(k) Plan; and

WHEREAS, subsequent to preparation of the most recent restatement, Congress adopted the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”); and

WHEREAS, the CARES Act provides for a waiver of distributions required by Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, with respect to the 2020 calendar year, and provides for rollover treatment of certain distributions that would otherwise be taxable (the “2020 RMD Waiver”); and

WHEREAS, the CARES Act permits coronavirus-related distributions to certain qualified participants;

WHEREAS, the Plan’s Custodian implemented the 2020 RMD Waiver and began permitting coronavirus-related distributions in operation on or about April 1, 2020; and

WHEREAS, LES desires to amend the 401(k) Plan, effective January 1, 2020, to incorporate implement the 2020 RMD Waiver and coronavirus-related distributions (as put into operational effect on or about April 1, 2020).

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the Second Amendment to the 401(k) Plan in substantially the form that presented to the Board at its meeting.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby authorizes and directs the CEO to execute the Amendment No. 2 to the 401(k) Plan in substantially the form that presented to the Board at its meeting.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby authorizes and directs the appropriate officers and staff of LES to take such actions and execute such documents that they deem necessary or appropriate to carry out the intent and purposes of this resolution, and to cause the 401(k) Plan to be administered according to its terms and applicable law.

Chair

Adopted: September 18, 2020

**AMENDMENT NO. 2 TO THE
LINCOLN ELECTRIC SYSTEM EMPLOYEES' 401(k) RETIREMENT PLAN
(2020 RMD Waiver)**

WHEREAS, Lincoln Electric System, City of Lincoln, Nebraska (the "Employer") most recently amended and restated the Lincoln Electric System Employees' 401(k) Retirement Plan (the "Plan"), generally effective as of January 1, 2020; and

WHEREAS, subsequent to preparation of the most recent restatement, Congress adopted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which provides for a waiver of distributions required by Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, with respect to the 2020 calendar year, provides for rollover treatment of certain distributions that would otherwise be taxable, and permits coronavirus-related distributions to certain qualified Participants; and

WHEREAS, the Employer has determined that the Plan should be amended to implement the waiver of required minimum distributions for 2020 and to permit coronavirus-related distributions to certain qualified Participants.

NOW THEREFORE, the Plan is amended in the following respects:

1. Section 5.8 is amended to read as follows effective April 1, 2020:

5.8 In-Service Distributions.

(a) Age 59 ½. A Participant who has attained age 59½ may elect to receive an in-service distribution. Such in-service distribution may be from any portion of the vested balance of the Participant's Account. The Participant must elect to make the in-service distribution in writing or electronically in such manner as prescribed by the Plan Administrator. The Custodian will distribute the in-service distribution amount in a single sum as soon as administratively practicable.

(b) Coronavirus-Related Distributions. From April 1, 2020 until December 31, 2020, a Participant may request a Coronavirus-Related Distribution ("CRD"), as follows:

(1) A Participant may request a CRD only if –

(i) The Participant, the Participant's Spouse, or the Participant's dependent (as defined in Code Section 152) is diagnosed with severe acute respiratory syndrome coronavirus 2 or coronavirus disease 2019 ("COVID-19") by a test approved by the Centers for Disease Control and Prevention; or

(ii) The Participant, the Participant's Spouse, or a member of the Participant's household (that is, someone who shares the

Participant's principal residence) experiences adverse financial consequences as a result of (A) being quarantined; (B) being furloughed or laid off or having work hours reduced due to COVID-19; (C) being unable to work due to lack of child care due to COVID-19; (D) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or member of the Participant's household due to COVID-19; (E) having pay or self-employment income reduced due to COVID-19; (F) having a job offer rescinded or a start date for a job delayed due to COVID-19; or (G) other factors set forth in guidance of general applicability from the Secretary of the Treasury or a subdivision thereof.

(2) A Participant may request one or more CRDs, provided that the total of all CRDs shall not exceed the lesser of \$100,000 or the vested balance of the Participant's Account, and provided further that the aggregate amount of all CRDs from all plans maintained by the Employer shall not exceed \$100,000.

(3) A Participant may, but is not required to, repay a CRD that he or she has received by making contributions to the Plan at any time during the 3 year period beginning on the day after the date after the Participant receives the CRD. A Participant who repays a CRD in a manner consistent with Code Section 72(t) and this subsection shall be treated as having received the CRD in an eligible rollover distribution and has having transferred the CRD to the Plan within 60 days of the CRD. However, CRDs will not be treated as eligible rollover distributions for purposes of the withholding rules of Code Sections 401(a)(31), 402(f), and 3405. The Plan will maintain a separate subaccount or will separately account for CRD repayments in accordance with applicable guidance from the Secretary of the Treasury or a subdivision thereof on the treatment of such repayments.

(4) A Participant may request a CRD in accordance with the procedures established by the Committee. The Committee or its designee will require the Participant to certify that he or she satisfies the conditions in subsection (b)(1), and may rely on such certifications unless it has actual knowledge to the contrary.

(5) Unless designated otherwise by the Participant, a CRD will be charged against the vested portion of the Participant's subaccounts in proportion to the total vested balance of all of the Participant's Account, shall be paid to the Participant in a lump sum, and shall in general be treated as a withdrawal for all purposes under the Plan, except as otherwise expressly specified.

(6) Unless a Participant makes an affirmative election to the Committee or its designee, amounts required to be included in income due to a CRD will be included ratably over the 3-taxable-year period beginning with the taxable year of the CRD.

(7) This Section shall be construed in accordance with Section 2202(a)(2) of the CARES Act and any applicable guidance issued by the Secretary of the Treasury or other applicable authority.

2. Section 6.3(f) is added to the Plan and reads as follows effective January 1, 2020 and implemented in operation on or about April 1, 2020:

(f) 2020 RMD Waiver. Notwithstanding anything in this Section 6.3 to the contrary, a Participant or Beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) (“2020 RMDs”), and who would have satisfied that requirement by receiving distributions that are (I) equal to the 2020 RMDs or (II) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant’s designated Beneficiary, or for a period of at least 10 years (“Extended 2020 RMDs”), will receive those distributions as follows:

(1) A Participant or Beneficiary receiving distributions required by this Section 6.3 for years before 2020 will receive 2020 RMDs or Extended 2020 RMDs, as applicable, unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

(2) A Participant or Beneficiary whose first distribution under this Section 6.3 would have been paid in 2020 will not receive the distribution, unless he or she chooses to do so. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to begin receiving the distributions described in the preceding sentence.

In addition, notwithstanding Section 6.5, and solely for purposes of applying the direct rollover provisions of the Plan, the 2020 RMDs and Extended 2020 RMDs will be treated as eligible rollover distributions.

IN WITNESS WHEREOF this Amendment has been executed by the Employer on _____, 2020.

LINCOLN ELECTRIC SYSTEM, CITY OF
LINCOLN, NEBRASKA.

By: _____
Kevin Wailes, CEO