Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant   Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

LINCOLN ELECTRIC HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

Table of Contents

DEAR SHAREHOLDER:

You are cordially invited to attend the Annual Meeting of Shareholders of Lincoln Electric Holdings, Inc., which will be held at 11:00am ET on Thursday, April 19, 2018 at Lincoln Electric s Welding Technology & Training Center, 22800 St. Clair Avenue, Cleveland, Ohio. A map of the location is printed on the inside back cover of this proxy statement.

At the meeting, you will be asked to:

Elect ten Director nominees named in the proxy statement for a one-year term;

Ratify the appointment of our independent auditors for the year ending December 31, 2018;

Approve, on an advisory basis, the compensation of our named executive officers; and

Address any other business that properly comes before the meeting.

Shareholders of record on the close of business on

March 1, 2018, the record date, are entitled to vote at

confidence in Lincoln Electric and we look forward to seeing you at the Annual Meeting!

Sincerely,

Christopher L. Mapes

Chairman, President and Chief Executive Officer

Jennifer I. Ansberry

Executive Vice President,

General Counsel and Secretary

the Annual Meeting. Your vote is very important!

Please vote your shares promptly in one of the four

ways noted on page 4. We appreciate your continued

WE WILL BEGIN MAILING THIS PROXY STATEMENT ON OR ABOUT MARCH 20, 2018.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 19, 2018:

This proxy statement and the related form of proxy, along with our 2017 Annual Report and Form 10-K, are available free of charge at www.lincolnelectric.com/proxymaterials.

Table of Contents

BUSINESS OVERVIEW //

Lincoln Electric is the world leader in the design, development and manufacture of arc welding products, robotic arc welding systems, plasma and oxyfuel cutting equipment and has a leading global position in the brazing and soldering alloys market. Headquartered in Cleveland, Ohio, U.S., we operate 63 manufacturing locations in 23 countries and distribute to over 160 countries. In 2017, we generated $2.6 billion in sales.

As an innovation leader with the broadest portfolio of solutions and the industry s largest team of technical sales representatives and application experts, we are known as the Welding Experts®. Our portfolio of welding and cutting solutions are designed to help customers achieve greater productivity and quality in their manufacturing and fabrication processes. We leverage our global presence and broad distribution network to serve an array of customers across various end markets including: general metal fabrication, power generation and process industries, structural steel construction (buildings and bridges), heavy equipment fabrication (agricultural, mining, construction and rail), shipbuilding, automotive, pipe mills and pipelines, and oil and gas.

OUR GLOBAL FOOTPRINT

/ 0 2

Table of Contents

For over 120 years, we have achieved success through a balanced approach and our focus in providing:

Customers with a market leading product offering and superior technical application capability,

Employees with an incentive and results driven culture, and

Shareholders with above market returns.

In 2010, we mobilized the organization around a ten year 2020 Vision and Strategy that focuses on expanding Lincoln Electric s position as a valued, technical solutions-provider in our industry by accelerating innovation, operational excellence, and achieving best-in-class financial results through an economic cycle. The strategy is founded on Lincoln Electric s values and organizes commercial and operational initiatives around six core capabilities and competitive advantages to drive growth and improved margin and return performance: welding process expertise, commercial excellence, product development, global network and reach, operational excellence and financial discipline.

In executing our 2020 Vision and Strategy, we have pursued an aggressive acquisition strategy, accelerated our investments in R&D to enhance the value proposition and positioning of our solutions, and have emphasized engineered solutions for mission-critical applications. Additionally, we have focused on expanding our brand s geographic and channel reach into attractive areas such as automation. Our efforts have been successful. Contributions from acquisitions, a strong vitality index of new products, and expanded market presence have improved margin performance and returns. Continuous improvement initiatives have also structurally improved our business profile. Our focus on operational excellence and safety have contributed to improved margins, cash flow generation and returns. We are well positioned for improved long-term operating performance of the business through the economic cycle.

As we navigate through the 2020 strategy, we continue to review our progress and remain confident in our program, our ability to execute to plan and achieve our goals.

Key Financial Metrics	2020 Goal	2009 2017 Achievement[1]	Key Initiatives and Focus
Sales Growth CAGR	10% CAGR through the cycle	5% Reported Sales CAGR 7% CAGR [Excludes FX and Venezuela results]	Increased investment in R&D, increasing our new product vitality index Active acquisition program
Operating Income Margin	15% Average through the cycle	11.1% Average Reported 12.6% Average Adjusted [Achieved a 5-year average 14.6% adjusted margin]	Targeted growth opportunities Richening the portfolio mix through differentiated technologies and applications Operational excellence
Return on Invested Capital [ROIC]	15% Average through the cycle	16.6% Average	Disciplined acquisition program with stringent ROIC and IRR goals Margin expansion Cash management
Average Operating Working Capital Ratio	15% at 2020	15.9% at 2017; 14.2% excluding ALW acquisition	Effective cash cycle management Inventory management

[1] See Appendix A for definitions and/or reconciliations of these metrics to results reported in accordance with generally accepted accounting principles.

Table of Contents

NOTICE OF ANNUAL MEETING //

ANNUAL MEETING OF SHAREHOLDERS

DATE & TIME	LOCATION	RECORD DATE
Thursday, April 19, 2018 11:00 ET	Lincoln Electric s Welding Technology & Training Center 22800 St. Clair Avenue Cleveland, Ohio	March 1, 2018

HOW TO CAST YOUR VOTE //

Your vote is important! Please vote your shares promptly in one of the following ways:

BY INTERNET	BY PHONE	BY MAIL	IN PERSON
Visit www.proxyvote.com until April 18, 2018	Please call 1-800-690-6903 by April 18, 2018	Sign, date and return your proxy card or voting instruction form, must be received by April 18, 2018	You can vote in person at the meeting in Cleveland, Ohio on April 19, 2018

MEETING AGENDA VOTING MATTERS //

PROPOSAL 1 To elect ten Director nominees named in this Proxy Statement to hold office until the 2019 Annual Meeting	FOR each nominee	PAGE 12
PROPOSAL 2 To ratify the appointment of Ernst & Young LLP as independent auditor for the 2018 fiscal year	FOR	PAGE 71
PROPOSAL 3 To approve, on an advisory basis, the compensation of our named executive officers (NEOs)	FOR	PAGE 73

Table of Contents

PROXY SUMMARY //

This section provides an overview of important items related to this proxy statement and the Annual Meeting.

We encourage you to read the entire proxy statement for more information before voting.

2017 PERFORMANCE HIGHLIGHTS //

We achieved solid performance in 2017 despite a slow recovery in industrial end markets. Sales increased 15% to $2.6 billion on 7% organic sales growth and 8% from acquisitions, substantially from the Air Liquide Welding (ALW) acquisition. We generated solid profit growth in our core business (excluding acquisitions) as we continued to focus on improving mix, disciplined cost management and operational excellence. Successful execution of a number of commercial and operational initiatives resulted in strong cash flows, solid return performance, as well as record-level working capital efficiency in our core business. We also reached record performance across safety and environmental metrics, including safety, energy intensity and our re-use and recycling rates. These results demonstrate the structural improvements achieved in the business through our 2020 Vision and Strategy and how the organization continues to advance towards best-in-class results.

OPERATING INCOME MARGIN

Reported	*Adjusted*
14.4%	**13.8%**

DILUTED EPS

Reported	*Adjusted*
$3.71	**$3.79**

CASH FLOW FROM

OPERATIONS OF

$335M

[108% cash conversion of

adjusted net income]

AVERAGE OPERATING

WORKING CAPITAL TO

NET SALES RATIO OF

15.9%

[14.2% record performance

excluding ALW acquisition]

RETURN ON

INVESTED CAPITAL

[ROIC] OF

16.2%

See Appendix A for definitions and/or reconciliation of these metrics to results reported in accordance with generally accepted accounting principles. Performance measures used in the design of the executive compensation program are presented within the Compensation Discussion and Analysis section.

In addition, we continued to focus on generating long-term value for our shareholders. In 2017, 50% of cash was invested in growth (capital expenditures and acquisitions) and 50% was returned to shareholders through our dividend program and share repurchases. In the last five years, we have repurchased an aggregate amount of $1.3 billion in shares and have increased the dividend payout rate by 70%. Our Board of Directors increased the dividend payout rate by 11.4% in 2018, marking 22 years of dividend increases.

Cumulative Capital Returned to Shareholders [$ millions, based on capital allocation]

Table of Contents

CORPORATE GOVERNANCE HIGHLIGHTS //

Lincoln Electric has a solid track record of integrity and corporate governance practices that promote thoughtful management by its officers and Board of Directors facilitating profitable growth while strategically balancing risk to maximize shareholder value. Below is a summary of certain Board of Director and governance information with respect to 2017:

Board & Governance Information

Size of Board	11*	Number of fully independent Board committees	4
Number of independent Directors	10	Independent Directors meet without management	Yes
Average age of Directors	66	Director attendance at Board & committee meetings	100%
Percent diverse	27%	Mandatory retirement age [75]	Yes
Board meetings held in 2017	5	Stock ownership requirements for Directors	Yes
New Directors in the last 5 years	2	Annual Board and committee self-assessments	Yes
Annual election of Directors	Yes	Code of Ethics for Directors, officers & employees	Yes

Majority voting policy for Directors	Yes	Succession planning and implementation process	Yes
Lead Independent Director	Yes	Environmental & risk management review	Yes

**There were 11 Directors [10 were independent] during the 2017 calendar year. There are currently 12 Directors [11 are independent] following Dr. Patel s election to the Board on February 21, 2018.*

SIZE OF BOARD

11

AVERAGE AGE OF

DIRECTORS

66

BOARD MEETINGS

HELD IN 2017

5

NUMBER OF

INDEPENDENT

DIRECTORS

10

PERCENT

DIVERSE

27%

NEW DIRECTORS

IN THE

LAST 5 YEARS

2

/ 0 6

Table of Contents

DIRECTOR NOMINEES AND BOARD SUMMARY //

You are being asked to vote on the election of ten Director nominees. Summary biographical information and the committee membership and leadership of each Director, including Director nominees, is listed below. Additional information can be found in the Director biographies under Proposal 1.

Director Nominees

Name	Age	Director Since	Independent	Audit	Compensation & Executive Development	Nominating & Corporate Governance	Finance	Other Public Company Boards
Curtis E. Espeland *Executive Vice President and CFO,* *Eastman Chemical Company*	53	2012						
Stephen G. Hanks *Retired President and CEO,* *Washington Group*	67	2006						2

International			
Michael F. Hilton *President and CEO,* *Nordson Corporation*	63	2015	2
G. Russell Lincoln *President, N.A.S.T. Inc.* *[personal investment firm]*	71	1989	
Kathryn Jo Lincoln *Chair and CIO,* *Lincoln Institute of Land Policy*	63	1995	
William E. MacDonald, III *Retired Vice Chairman,* *National City Corporation*	71	2007	
Christopher L. Mapes [Chairman]	56	2010	1

President and CEO, Lincoln Electric								
Phillip J. Mason *Retired President,* *EMEA Sector of Ecolab, Inc.*	67	2013						1
Ben P. Patel *Vice President and Chief Technology* *Officer, Tenneco, Inc.*	50	2018						
Hellene S. Runtagh *Retired President and CEO,* *Berwind Group*	69	2001						

Chair *Member*

Retiring Directors

Name	Age	Director	Independent	Audit	Compensation	Nominating &	Finance	Other Public Company

		Since	& Executive Development	Corporate Governance	Boards
David H. Gunning [Lead Director] *Retired Vice Chairman,* *Cliffs Natural Resources, Inc.*	75	1987			
George H. Walls, Jr. *Retired Chief Deputy Auditor,* *State of North Carolina*	75	2003			

Chair *Member*

Table of Contents

EXECUTIVE COMPENSATION PROGRAM HIGHLIGHTS *II*

Our 2020 Vision and Strategy is focused on key actions and initiatives that generate long-term profitable growth within our targeted markets through value-added solutions and operational excellence. We have established targets in our programs to achieve a long-term 10% compounded annual growth rate (CAGR) in sales, a 15% average Adjusted Operating Income Margin and Return on Invested Capital (ROIC) through an economic cycle, as well as a 15% Average Operating Working Capital to Net Sales ratio by 2020. We believe this framework engages our business team in creating a long-term value proposition for shareholders that generates above-market returns through economic cycles and maintains a short-term focus on aggressive profit and working capital targets that incentivizes management to improve profitability and operating excellence. Our executive compensation designs are structured to align our incentives with the 2020 Vision and Strategy.

We have a long history of driving an incentive management culture, emphasizing **pay for performance** to align compensation with the achievement of enterprise, segment and individual goals.

We believe our compensation program and practices provide an appropriate **balance** between profitability, cash flow and returns, on the one hand, and suitable levels of risk-taking, on the other. This balance, in turn, aligns compensation strategies with **shareholder interests**, as reflected by the consistent high level of shareholders voting for the compensation of our named executive officers (NEOs).

ACTIONS TO FURTHER ALIGN EXECUTIVE COMPENSATION WITH SHAREHOLDER INTERESTS

The Compensation and Executive Development Committee of the Board reviews the framework of our executive compensation program to ensure executive pay aligns with our pay for performance philosophy. Our Compensation and Executive Development Committee has made a number of changes over the last few years to ensure our executive compensation program is well aligned with corporate performance and shareholder interests, which has been reflected in the strong results on our say-on-pay proposals on the compensation of our NEOs. In 2017, the overall design of our executive compensation program was held consistent with policies developed in prior years, with the following actions taken to further align our executive compensation with shareholder interests:

As a result of freezing the Retirement Annuity Program (RAP) at the end of 2016, implemented a Restoration Plan to allow NEOs to participate in a standard retirement design subject to IRS limitations.

Amended our Change in Control Severance Agreements to align with market practices.

2017 Executive Compensation Practices

What We Do	What We Don t Do
We have long-term compensation programs focused on profitability, net income growth, ROIC and total shareholder returns	We do not allow hedging or pledging of our shares x
We use targeted performance metrics to align pay with performance	We do not reprice stock options and do not issue discounted stock options x
We maintain stock ownership requirements *[5x base salary for CEO; 3x base salary for other NEOs]*	We do not provide excessive perquisites x
We have shareholder-approved incentive plans	We do not have multi-year guarantees for compensation increases x

We have a broad clawback policy

We have a double-trigger change in control policy

/ 08

Table of Contents

COMPENSATION FRAMEWORK & PHILOSOPHY

Our compensation program is designed to attract and retain exceptional employees. As indicated below, we design our compensation system to reflect current best practices, including setting base pay below the competitive market for each position, targeting incentive-based compensation above the competitive market and promoting quality corporate governance in compensation decisions. We believe these practices result in sustained, long-term shareholder value and reflect our philosophy that the best performers should receive the greatest rewards.

Our executive compensation program is structured as follows:

Base salary is targeted to be the smallest component of total direct compensation

Short-term incentive compensation is based on annual consolidated and, if applicable, segment performance

Long-term incentive compensation is based on our financial performance over a three-year cycle

Variable, at risk, pay is a significant percentage of total compensation

AVERAGE MIX OF KEY COMPENSATION COMPONENTS AND KEY COMPENSATION METRICS

The following charts present the mix of 2017 target direct compensation for our Chief Executive Officer and all NEOs. As shown below, 84% of our CEO s compensation value and, on average, 77% of our NEOs compensation value was at risk, with the actual amounts realized based on annual and long-term performance as well as our stock price.

Table of Contents

We use the following six key financial performance measures to evaluate results across short-term and long-term periods. These metrics are also closely tied to our 2020 Vision and Strategy program.

Key Performance Metrics Tied to Executive Compensation

Metric	Annual Compensation	Long-Term Incentive Programs [3-yr Performance Cycle]
EBITB[1,2] [Earnings before interest, taxes and bonus]		
Average Operating Working Capital to Sales[2] ratio		
Consolidated, segment and individual performance		
Adjusted Net Income[2] growth		
Return on Invested Capital [ROIC][2]		

Total Shareholder Return [TSR][2]

[1] EBITB is an internal measure which tracks our adjusted operating income.

[2] Performance measures used in the design of the executive compensation program are defined in Appendix A.

AUDITOR //

We ask our shareholders to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018. Below is summary information about fees paid to Ernst & Young LLP for services provided during fiscal 2017 and 2016.

	2017	2016
Audit Fees	$3,474,000	$3,079,000
Audit-Related Fees	14,000	10,000
Tax Fees	235,000	178,000
All Other Fees	0	0
Total Fees	$3,723,000	$3,267,000

/ 10

Table of Contents

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

ELECTION OF TEN DIRECTORS TO SERVE UNTIL 2019

The term of office of each of our Directors expires at this year s Annual Meeting. Mr. Gunning and Mr. Walls will retire as Directors effective as of the expiration of their terms at the time of this year s Annual Meeting. Upon their retirement, the authorized number of Directors will be reduced from its current size of twelve and fixed at ten.

Our shareholders are being asked to elect ten Directors to serve for a one-year term until the 2019 Annual Meeting and until their successors are duly elected and qualified. Unless otherwise directed, shares represented by proxy will be voted **FOR** the following nominees:

Curtis E. Espeland	Kathryn Jo Lincoln	Ben P. Patel
Stephen G. Hanks	William E. MacDonald, III	Hellene S. Runtagh
Michael F. Hilton	Christopher L. Mapes	
G. Russell Lincoln	Phillip J. Mason	

All of the Director nominees, other than Dr. Patel, who was elected to the Board on February 21, 2018, have been previously elected by our shareholders.

Each of the nominees has agreed to stand for election. The biographies of all of our Director nominees can be found later in this section.

If any of the nominees is unable to stand for election, the Board may provide for a lesser number of nominees or designate a substitute. In the latter event, shares represented by proxies solicited by the Directors may be voted for the substitute. We have no reason to believe that any of the nominees will be unable to stand for election.

MAJORITY VOTING POLICY

The Director nominees receiving the greatest number of votes will be elected (plurality standard). However, our majority voting policy states that any Director who fails to receive a majority of the votes cast in his/her favor is required to submit his/her resignation to the Board. The Nominating and Corporate Governance Committee of the Board would then consider each resignation and determine whether to accept or reject it. Abstentions and broker non-votes will have no effect on the election of a Director and are not counted under our majority voting policy. Holders of common stock do not have cumulative voting rights with respect to the election of a Director.

OUR BOARD RECOMMENDS A VOTE FOR EACH DIRECTOR NOMINEE LISTED ABOVE

ANNUAL MEETING ATTENDANCE; NO SPECIAL ARRANGEMENTS

Directors are expected to attend each annual meeting. The Director nominees plan to attend this year s Annual Meeting. At the 2017 Annual Meeting, all of our Directors were in attendance.

None of the Director nominees has any special arrangement or understanding with any other person pursuant to which the Director nominee was or is to be selected as a Director or nominee. There are no family relationships, as defined by SEC rules, among any of our Directors or executive officers. SEC rules define the term family relationship to mean any relationship by blood, marriage or adoption, not more remote than first cousin.

Table of Contents

DIRECTOR NOMINEES

CURTIS E. ESPELAND

AGE: 53

Director since 2012

Recent Business Experience:

Executive Vice President and Chief Financial Officer of Eastman Chemical Company (a chemical, fiber and plastic manufacturer) since January 2014. Previously, Mr. Espeland was Senior Vice President and Chief Financial Officer from 2008 to January 2014 and Vice President, Finance and Chief Accounting Officer of Eastman Chemical from 2005 to 2008.

Qualifications:

Mr. Espeland has extensive experience in corporate finance and accounting, having served in various finance and accounting roles, and ultimately as the Chief Financial Officer, at a large publicly traded company (Eastman Chemical) for the past several years. Mr. Espeland also has significant experience in the areas of mergers and acquisitions, taxation and enterprise risk management. Mr. Espeland also served as an independent auditor at Arthur Andersen LLP having worked in both the United States and abroad (Europe and Australia). The Board has determined Mr. Espeland s extensive accounting and finance experience qualifies him as an audit committee financial expert. This expertise makes Mr. Espeland an important member of the Audit Committee (where he is Chair) and the Finance Committee. In addition, Mr. Espeland s international business experience is a valued asset for our global operations.

STEPHEN G. HANKS

Recent Business Experience:

Mr. Hanks spent 30 years with global engineering and construction company Morrison Knudsen Corporation and its successor, Washington Group International, Inc., serving the last eight years as President, CEO and a member of its Board of Directors, retiring in January 2008.

AGE: 67

Director since 2006

Directorships:

McDermott International, Inc. (NYSE: MDR) since 2009, Babcock & Wilcox Enterprises, Inc. (NYSE: BW) since July 2010, The Washington Companies (privately owned).

Qualifications:

Mr. Hanks executive leadership of a U.S. publicly-held company with international reach has provided him with extensive experience dealing with the issues that these companies confront. His diverse professional skill set, including finance (having served as CFO of Morrison Knudsen) and legal competencies (such as enterprise risk management, corporate compliance and legal strategy), make him a valuable member of the Board, the Finance Committee (where he is Chair) and the Compensation and Executive Development Committee. Mr. Hanks experience as a CEO and CFO of a publicly-held company qualifies him as an audit committee financial expert.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTOR NOMINEES

MICHAEL F. HILTON

AGE: 63

Director since 2015

Recent Business Experience:

President and Chief Executive Officer of Nordson Corporation (a company that engineers, manufactures and markets differentiated products and systems used for the precision dispensing of adhesives, coatings, sealants, biomaterials, polymers, plastics and other materials, fluid management, test and inspection, UV curing and plasma surface treatment), since 2010. Prior to joining Nordson, Mr. Hilton was the Senior Vice President and General Manager for Air Products and Chemicals, Inc. (a company that provides a unique portfolio of atmospheric gases, process and specialty gases, performance materials, and equipment and services) with specific responsibility for leading its $2B global Electronics and Performance Materials segment. Air Products serves customers in industrial, energy, technology and healthcare markets globally.

Directorships:

Ryder System, Inc. (NYSE: R) since 2012, Nordson Corporation (Nasdaq: NDSN) since 2010.

Qualifications:

With over 30 years of global manufacturing experience, Mr. Hilton brings to the Board an intimate understanding of management leadership, strategy development and day-to-day operations of a multi-national company, including product line management, new product technology, talent development, manufacturing, distribution and other sales channels, business processes, international operations and global markets expertise.

G. RUSSELL LINCOLN

AGE: 71

Director since 1989

Recent Business Experience:

President of N.A.S.T. Inc. (a personal investment firm), since 1996. Prior to joining N.A.S.T. Inc., Mr. Lincoln served as the Chairman and Chief Executive Officer of Algan, Inc.

Qualifications:

As an entrepreneurial businessman with experience, including 25 years running a $50 million business, Mr. Lincoln understands business risk and the importance of hands-on management. As the grandson of James F. Lincoln and as a long-term trustee, Mr. Lincoln provides the Board with his historic perspective on the Company s unique culture and especially its incentive management system. His leadership role and his investment experience serve Lincoln Electric well as a member of the Audit Committee and Finance Committee.

Table of Contents

DIRECTOR NOMINEES

KATHRYN JO LINCOLN

AGE: 63

Director since 1995

Recent Business Experience:

Chair and Chief Investment Officer of the Lincoln Institute of Land Policy (a leading nonprofit private operating foundation whose origins date to 1946, which researches and recommends creative approaches to land as a solution to economic, social, and environmental challenges). She has held this position since 1996, and in her role as CIO currently manages and directs all aspects of the Institute s $600 million endowment. In her role as Chair, she is responsible for all Board development and governance and takes a leadership position in strategic planning. From 1999 through 2006, Ms. Lincoln previously served as President of the Lincoln Foundation, the non-profit foundation that supported the Lincoln Institute until the two entities merged in 2006.

Directorships:

Advisory Board Member for several of the private equity placements utilized
by the Institute (Rose Company, International Housing Solutions and Ecosystems Investment Partners). Co-Chair of the International Center for Land Policy Studies and Training in Taiwan.

Qualifications:

Ms. Lincoln s leadership experience with the Lincoln Institute, where she plays a crucial role in strategic planning and asset allocation, as well as her extensive experience with the Chautauqua Institution in New York, a major Arizona health care provider, and an international non-profit organization related to land use and policy, make Ms. Lincoln a valuable contributor to a well-rounded Board. Ms. Lincoln serves as a member of the Compensation and Executive Development Committee and Chairs the Nominating and Corporate Governance Committee. In addition, as a Lincoln family member and long-standing Director of Lincoln Electric, Ms. Lincoln has a keen sense of knowledge about Lincoln Electric, its culture and the founding principles.

WILLIAM E. MACDONALD, III

AGE: 71

Director since 2007

Recent Business Experience:

Former Vice Chairman of National City Corporation (a diversified financial holding company), a position he held from 2001 until his retirement in 2006, where he was responsible for its seven-state regional and national corporate banking businesses, the Risk Management and Credit Administration unit, Capital Markets and the Private Client Group. Mr. MacDonald joined National City in 1968 and, during his tenure, held a number of key management

positions, including Senior Executive Vice President of National City Corporation and President and Chief Executive Officer of National City s Ohio bank.

Directorships:

American Greetings Corporation from 2007 to September 2013 (when the company was privatized), MTC Technologies, Inc. from 2002 to 2008, The Lamson & Sessions Co. from 2006 to 2007.

Qualifications:

Mr. MacDonald brings experience in leading a large corporate organization with over 35,000 employees and structuring complex financing solutions for large and middle-market businesses to the Board and its Compensation and Executive Development Committee (where he is Chair) and Finance Committee. In addition to his expertise in economic issues, Mr. MacDonald appreciates the human resources and development challenges facing a global, publicly-traded company.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTOR NOMINEES

CHRISTOPHER L. MAPES

AGE: 56

Director since 2010

Recent Business Experience:

Chairman, President and CEO of Lincoln Electric. Mr. Mapes has served as President and CEO since December 31, 2012. On December 21, 2013,

Mr. Mapes was appointed as Chairman of the Board in addition to his other responsibilities. From September 2011 to December 31, 2012, Mr. Mapes served as the Chief Operating Officer of Lincoln Electric. From 2004 to August 2011, Mr. Mapes served as an Executive Vice President of A.O.

Smith Corporation (a global manufacturer with a water heating and water treatment technologies business, which has residential, commercial, industrial and consumer applications) and the President of its former Electrical Products unit. Prior to joining A.O. Smith, he was the President, Motor Sales and Marketing of Regal Beloit Corporation (a manufacturer of electrical and mechanical motion control products).

Directorships:

The Timken Company (NYSE: TKR), since 2014.

Qualifications:

As an experienced executive officer of Lincoln Electric as well as other large, global public companies engaged in manufacturing operations for over thirty years, Mr. Mapes understands the manufacturing industry and the challenges of global growth. He is also familiar with the welding industry generally, given his service to Lincoln Electric as CEO and Chief

Operating Officer. In addition to his business management experience,

Mr. Mapes has an MBA and a law degree.

PHILLIP J. MASON

AGE: 66

Director since 2013

Recent Business Experience:

Former President of the Europe, Middle East & Africa Sector (EMEA Sector) of Ecolab, Inc. (a leading provider of food safety, public health and infection prevention products and services), a position he held from 2010 until his retirement in 2012. Mr. Mason brings 35 years of international business experience to the Board and its Audit and Finance Committees, including starting, developing and growing businesses abroad in both mature and emerging markets. Prior to leading Ecolab s EMEA Sector, Mr. Mason had responsibility for Ecolab s Asia Pacific and Latin America businesses as President of Ecolab s International Sector from 2005 to 2010 and as Senior Vice President, Strategic Planning in 2004.

Directorships:

GCP Applied Technologies (NYSE: GCP). GCP Applied Technologies was spun off from W.R. Grace & Co. as of February 3, 2016.

Qualifications:

Mr. Mason has over 35 years of international business experience with experience in establishing businesses in China, South Korea, Southeast Asia, Brazil, India, Russia, Africa and the Middle East. Mr. Mason s executive leadership of an international business sector for a U.S. publicly-held company provides him with extensive international business expertise in a business-to-business environment, including industrial sectors. Additionally, he brings a strong finance and strategic planning background, including merger and acquisition experience, along with significant experience working with and advising boards on diverse issues confronting companies with international operations.

Table of Contents

DIRECTOR NOMINEES

BEN P. PATEL AGE: 50 Director since 2018	Recent Business Experience: Vice President and Chief Technology Officer of Tenneco, Inc. (a manufacturer of automotive emission control and ride control products and systems) since March 2017. Previously, Dr. Patel was Vice President, Clean Air Global Research & Development and Systems Integration from 2011 to 2017 and Vice President, Technical Development, Emission Control from 2010 to 2011. Prior to joining Tenneco, Dr. Patel held numerous positions with increasing responsibility, including senior scientist, at the General Electric Company from 1999 to 2010. Qualifications: Dr. Patel brings to the Board extensive experience leading global product and technology initiatives, including advanced technology development and establishing a global research & development organization. His global business experience and expertise in material science and smart systems will lend tremendous support to Lincoln Electric s advanced manufacturing growth strategy. Dr. Patel serves on the Audit Committee and the Nominating and Corporate Governance Committee
HELLENE S. RUNTAGH	Recent Business Experience: Former President and CEO of the Berwind Group (a diversified pharmaceutical services, industrial manufacturing and real estate company), a position she held in 2001. From 1997 through 2001, Ms. Runtagh was Executive Vice

AGE: 69

Director since 2001

President of Universal Studios (a media and entertainment company). Prior to joining Universal Studios, Ms. Runtagh spent 27 years at General Electric Company (a diversified industrial company) in a variety of leadership positions.

Directorships:

Harman International Industries, Inc. from 2008 to 2017, NeuStar, Inc. from 2006 to 2017. Former member of the Board of Directors of IKON Office Solutions Inc., Avaya Inc. and Covad Communications Group.

Qualifications:

Ms. Runtagh has over 30 years of experience in management positions with global companies. Ms. Runtagh s responsibilities in management have ranged from marketing and sales to finance, as well as engineering and manufacturing. Ms. Runtagh s diverse management experience, including growing those businesses while maintaining high corporate governance standards, and her extensive experience as a director of public companies, make her well-positioned for her role as a Director, member of the Compensation and Executive Development Committee and member of the Nominating and Corporate Governance Committee.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

RETIRING DIRECTORS

DAVID H. GUNNING

AGE: 75

Director since 1987

Lead Director since 2013

Recent Business Experience:

Former Vice Chairman of Cliffs Natural Resources, Inc. (an iron ore and coal mining company formerly known as Cleveland-Cliffs Inc.), a position he held from 2001 until his retirement in 2007. Prior to that, Mr. Gunning served as Chairman, President and CEO of Capital American Financial Corp. Mr. Gunning is also a lawyer and practiced law for many years as a corporate partner with Jones Day.

Directorships:

MFS Funds from 2004 to 2017 (Chair of the Board), Cliffs Natural Resources,
Inc. from 2001 to 2007, Portman Mining Ltd. from 2005 to 2008, Southwest Gas Corporation from 2000 to 2004 and Development Alternatives, Inc. from pre-1993 to May 2013.

Qualifications:

Mr. Gunning brought to the Board CEO and senior management experience (with public companies), public company board experience and corporate legal skills. Additionally, Mr. Gunning s relatively long tenure as a Director provided the Board with a valuable perspective on Lincoln Electric s challenges
within its industry. He served as the Lead Director and as a member of the Compensation and Executive Development Committee and the Nominating and Corporate Governance Committee until his retirement from the Board.

GEORGE H. WALLS, JR.

AGE: 75

Director since 2003

Recent Business Experience:

General Walls is the former Chief Deputy Auditor of the State of North Carolina, a position he held from 2001 through 2004. General Walls retired from the U.S. Marine Corps in 1993 with the rank of Brigadier General, after nearly 29 years of distinguished service.

Directorships:

The PNC Financial Services Group, Inc. from 2006 to 2015 and Thomas Industries, Inc. from 2003 to 2005.

Qualifications:

General Walls brought to the Board substantial financial acumen and experience supervising the audits of various government entities, including the Office of the Governor of North Carolina, all state agencies of North Carolina, all Clerks of Superior Court for North Carolina and all not-for-profit agencies that received state or federal funds during his tenure as Chief Deputy Auditor of the State of North Carolina, which served him well as a member of the Audit Committee of the Board. General Walls also has significant experience in the leadership, management and ethics of large, complex organizations, aiding him in his services on the Nominating and Corporate Governance Committee of the Board. General Walls is also a National Association of Corporate Directors (NACD) Board Leadership Fellow. In addition, General Walls understands the welding industry and at one point in time had oversight responsibility for the Marine Corps welding school and development program. He served as a member of the Audit Committee and the Nominating and Corporate Governance Committee until his retirement from the Board.

Table of Contents

CORPORATE GOVERNANCE

Governance Framework

At Lincoln Electric, we are committed to effective corporate governance and high ethical standards. We adhere to our ethical commitments in every aspect of our business, including our commitments to each other, in the marketplace and in the global, governmental and political arenas. These commitments are spelled out in our Code of Corporate Conduct and Ethics, which applies to all of our employees (including our principal executive and senior financial officers) and Board of Directors.

We encourage you to visit our website where you can find detailed information about our corporate governance programs/policies including:

Code of Corporate Conduct and Ethics

Guidelines on Significant Corporate Governance Issues
Charters for our Board Committees

Director Independence Standards

Corporate Governance Highlights

Board of Directors

Our Board held five meetings in 2017

During 2017, each of our Directors attended at least 75% of the total full Board meetings and meetings of committees on which he or she served during the time he or she served as a Director

Size of Board 11 in 2017

Plurality vote with director resignation policy for failures to receive a majority vote in uncontested director elections

Combined Chairman and CEO

Lead Independent Director

All Directors are expected to attend the Annual Meeting

Board Composition

Number of independent Directors 10 in 2017

Diverse Board including different backgrounds, experiences and expertise, as well as balanced mix of ages and tenure of service

Several current and former CEOs

Audit Committee has multiple financial experts

Board Processes

Independent Directors meet without management present

Annual Board and Committee self-assessments

Board orientation/evaluation program

Governance Guidelines approved by Board

Board plays active role in risk oversight

- Full Board review of succession planning

Board Alignment with Shareholders

- Annual equity grants align interests of Directors and officers with shareholders
- Annual advisory approval of executive compensation
- No poison pill
- Stock ownership requirements for officers and Directors

Compensation

- No employment agreements
- Executive compensation is tied to performance 84% of CEO target pay and 77% of all NEO target pay is performance-based (at risk)
- Anti-hedging and anti-pledging policies for Directors and officers
- Recoupment/clawback policy

Integrity and Compliance

- Code of Conduct for employees, officers and Directors
- Environmental, health and safety guidelines and goals, including long-term sustainability goals
- Annual training on ethical behavior

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors

Our Board oversees management in the long-term interest of Lincoln Electric and our shareholders. The Board s major responsibilities include:

- Overseeing the conduct of our business
- Reviewing and approving key financial objectives, strategic and operating plans and other significant actions
- Evaluating CEO and senior management performance and determining executive compensation
- Planning for CEO succession and monitoring management s succession planning for other key executives
- Establishing an appropriate governance structure, including appropriate board composition and succession planning

How We Select Director Nominees

In evaluating Director candidates, including persons nominated by shareholders, the Nominating and Corporate Governance Committee expects that any candidate must have these minimum qualifications:

- Demonstrated character, integrity and judgment
- High-level managerial experience or experience dealing with complex problems
- Ability to work effectively with others

Sufficient time to devote to the affairs of Lincoln Electric and these specific qualifications

Specialized experience and background that will add to the depth and breadth of the Board

Independence as defined by the Nasdaq listing standards

Financial literacy

In evaluating candidates to recommend to the Board, including the Director nominees, the Nominating and Corporate Governance Committee also considers whether the candidate enhances the diversity of the Board. Such diversity includes professional background and capabilities, knowledge of specific industries and geographic experience, as well as race, gender and national origin.

Lincoln Electric is also committed to having director candidates that can provide perspective on the industry challenges that Lincoln Electric faces and Lincoln Electric s long-term commitment to a pay for performance culture.

During 2017, in recruiting the new Director nominee, Dr. Patel, the Nominating and Corporate Governance Committee retained the search firm of Korn Ferry to help identify director prospects, perform candidate outreach, assist in reference and background checks and provide other related services. The recruiting process typically involves either the search firm, the CEO or a member of the Nominating and Corporate Governance Committee (usually, the Chair) contacting a prospect to gauge his or her interest and availability. The candidate will then meet with several members of the Board, including our Lead Director. At the same time, the search firm will contact references for the prospect. A background check is completed before a final recommendation is made to the Board to appoint a candidate to the Board.

For the director search conducted during 2017, the Board targeted senior executives who had experience in managing global business where the ability to drive collaborative technologies to various markets and global customers is a critical portion of the strategy. Experience in leadership and management of technologies, whether through exposure to automation capabilities, internet of things (IoT), internet-based marketing or data analytics was a key focus for the search. The Board determined that Dr. Patel possesses the capability and desired management experience and was elected to the Board on February 21, 2018.

Shareholders may nominate one or more persons for election as Director of Lincoln Electric. The process for doing so is set forth in the FAQ section of this proxy statement.

Director Independence

Each of our non-employee Directors meets the independence standards set forth in the Nasdaq listing standards, which are reflected in our Director Independence Standards. To be considered independent, the Board must affirmatively determine that the director has no material relationship with Lincoln Electric.

/ 20

Table of Contents

During 2017, the independent Directors met in regularly scheduled Executive Sessions in conjunction with each of the Board meetings. The Lead Director presided over these sessions.

Board Leadership

Our Chairman, President and CEO is responsible for planning, formulating and coordinating the development and execution of our corporate strategy, policies, goals and objectives. He is accountable for Lincoln Electric s performance and:

- reports directly to our Board;
- works closely with our management to develop our strategic plan;
- works with our management on transactional matters by networking with strategic relationships;
- promotes and monitors the Board s fulfillment of its oversight and governance responsibilities;
- encourages the Board to set and implement our goals and strategies;
- establishes procedures to govern our Board s work;
- oversees the execution of the financial and other decisions of our Board;
- makes available to all members of our Board opportunities to acquire sufficient knowledge and understanding of our business to enable them to make informed judgments;
- presides over meetings of our shareholders; and

sets the agenda for, and presides over, Board meetings.

Mr. Mapes, our President and CEO, serves as Chairman in addition to his other responsibilities. Our Board believes having one individual serve as Chairman and CEO is beneficial to us because the dual role enhances Mr. Mapes ability to provide direction and insight on strategic initiatives impacting us and our shareholders. The Board also believes the dual role is consistent with good corporate governance practices because it is complemented by a Lead Director.

Lead Director

Our Lead Director is appointed each year by the independent Directors. The Lead Director serves as a liaison between the Chairman of the Board and the independent Directors, presides as Chairman of the Board for all meetings at which the Chairman is not present and presides over executive sessions attended only by independent Directors. The Lead Director consults with the Chairman on the format and adequacy of information the Directors receive and the effectiveness of the Board meeting process and has independent authority to review and approve Board meeting agendas and schedules, as well as the authority to request from our officers any company information deemed desirable by the independent Directors. The Lead Director may call meetings of the independent Directors should he or she see fit during 2017, the independent Directors met in conjunction with each of the Board meetings. The Lead Director may also speak on behalf of Lincoln Electric, from time to time, as the Board may decide.

David H. Gunning currently serves as our Lead Director, a position he has held since 2013. Mr. Gunning will continue to serve as Lead Director until his retirement from the Board at this year s Annual Meeting, at which time we anticipate that Mr. Espeland will be elected as Lead Director.

Board Role in Risk Oversight & Assessment

In the ordinary course of business, we face various strategic, operating, compliance and financial risks. Our risk management processes seek to identify and address significant risks. Our Board oversees this enterprise-wide approach, and the Lead Director promotes our Board s engagement in enterprise risk management. Additionally, the Audit Committee reviews major financial risk exposure and the steps management has taken to monitor and control risk. Our Board has integrated its enterprise risk management process with its strategic planning process, refining the distinction between strategic risks and operational risks. Our Board reviews both regularly.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

COMPENSATION-RELATED RISK

We regularly assess risks related to our compensation and benefit programs, including our executive programs, and our Compensation and Executive Development Committee is actively involved in those assessments. In addition, Willis Towers Watson, a compensation consultant engaged by management, has provided a risk assessment of our executive programs in the past. Although we have a long history of pay for performance and incentive-based compensation, we believe our compensation programs contain many mitigating factors to ensure that our employees are not encouraged to take unnecessary risks.

As a result of all these efforts, we do not believe the risks arising from our executive compensation policies and practices are reasonably likely to have a material adverse effect on Lincoln Electric.

RELATED PARTY TRANSACTIONS

Any related party transactions concerning Lincoln Electric and any of its Directors, officers or other employees (or any of their immediate family members) are to be disclosed to and approved by the Chief Compliance Officer and the Audit Committee of the Board. We define related party transactions generally as transactions in which the self-interest of the employee, officer or Director may be at odds or conflict with the interests of Lincoln Electric, such as doing business with entities that are or may be controlled or significantly influenced by such persons or their immediate family members. Our related party transaction policies can be found in our Code of Corporate Conduct and Ethics, as well as the Audit Committee Charter, both of which are available on our website at www.lincolnelectric.com in the Investor Relations section.

In February 2018, the Audit Committee considered and approved a related party transaction involving P&R Specialty, Inc., a supplier to Lincoln Electric. Greg D. Blankenship, the brother of George D. Blankenship, is the sole stockholder and President of P&R Specialty, Inc. During 2017, we purchased approximately $2.4 million worth of products from P&R Specialty in ordinary course of business transactions. George D. Blankenship has no ownership interest in or any involvement with P&R Specialty. We believe that the transactions with P&R Specialty were, and are, on terms no less favorable to us than those that could have been obtained from unaffiliated parties.

OUR BOARD COMMITTEES

We have separately designated standing Audit, Compensation and Executive Development and Nominating and Corporate Governance Committees established in accordance with applicable provisions of the Securities Exchange Act of 1934 (the Exchange Act) and Securities and Exchange Commission (SEC) and Nasdaq rules. The Board also has designated a standing Finance Committee. The number of meetings held by each committee during 2017 is set forth below.

	Audit	Compensation & Executive Development	Nominating & Corporate Governance	Finance
Number of Committee Meetings	6	6	5	5

Table of Contents

The following summaries set forth the principal responsibilities of each of the Board s separately designated standing committees, as well as other information regarding their makeup and operations. A copy of each committee s charter may be found on our website at www.lincolnelectric.com.

Audit Committee

Members

Messrs. Espeland (Chair),

Hilton, Lincoln, Mason, Patel (appointed February 21, 2018) and Walls

Appoints and determines whether to retain or terminate the independent auditors

Approves all audit engagement fees, terms and services

Approves any non-audit engagements

Reviews and discusses the independent auditors quality control

Reviews with Lincoln Electric s General Counsel legal matters that might have a significant impact on our financial statements

Oversees compliance with our Code of Corporate Conduct and Ethics, including annual reports from compliance officers

Reviews with management the appointment, replacement, reassignment or dismissal of the Senior Vice President, Internal Audit, the internal audit charter, internal audit plans and reports

Reviews and discusses the independence of the auditors, the audit plan, the conduct of the audit and the results of the audit

Reviews with management the adequacy of internal control over financial reporting

Reviews and discusses with management Lincoln Electric s financial statements and disclosures, its interim financial reports and its earnings press releases

Discusses and oversees management policies relating to risk management

Each of the members of our Audit Committee meets the independence standards set forth in the Nasdaq listing standards and have likewise been determined by the Board to have the financial competency required by the listing standards. In addition, because of the professional training and past employment experience of Messrs. Espeland and Hilton, the Board has determined that they are financially sophisticated Audit Committee Members under the Nasdaq listing standards and qualify as audit committee financial experts in accordance with SEC rules. Shareholders should understand that the designation of Messrs. Espeland and Hilton as audit committee financial experts is a disclosure requirement and that it does not impose upon them any duties, obligations or liabilities that are greater than those generally imposed on them as members of the Audit Committee and the Board.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Compensation and Executive Development Committee

Members

Messrs. MacDonald, III (Chair),

Gunning, Hanks, Ms. Lincoln and Ms. Runtagh

Reviews and recommends to the Board total compensation of our CEO and reviews and establishes total compensation of our other executive officers

Annually assesses the performance of our CEO and other executive officers

Monitors our key management resources, structure, succession planning, development and selection processes and the performance of key executives

Reviews and recommends to the Board, in conjunction with the Nominating and Corporate Governance

Has oversight for our employee stock and incentive plans and reviews, approves or otherwise makes recommendations to the Board concerning our employee benefit plans

Reviews and recommends to the Board new or amended executive compensation plans with our executive officers

Committee, the appointment and removal of our elected officers

Each of the members of our Compensation and Executive Development Committee meets the independence standards set forth in the Nasdaq listing standards and each of whom is deemed to be (1) an outside Director within the meaning of Section 162(m) of the U.S. Internal Revenue Code (Section 162(m)), and (2) a non-employee director within the meaning of Rule 16b-3 of the Exchange Act. As part of the independence evaluation, the Board must consider all factors relevant to whether the Director has a relationship to the Company that is material to his or her ability to be independent, including the Director s source of compensation and whether the Director is affiliated with the Company. None of the members of the Compensation and Executive Development Committee were determined to have an affiliation or source of income that was material to his or her ability to be independent.

Table of Contents

Nominating and Corporate Governance Committee

Members

Ms. Lincoln (Chair),

Messrs. Hilton, Gunning, Patel (appointed February 21, 2018), Walls and Ms. Runtagh

- Reviews external developments in corporate governance matters, and develops and recommends to the Board corporate governance principles for Lincoln Electric
- Reviews periodically the quality, sufficiency and currency of governance information furnished to the Board by management
- Identifies and evaluates Board member candidates and is responsible for director succession planning
- Reviews and advises on shareholder proposals and engagement
- Reviews director compensation, benefits and expense reimbursement programs
- Leads our Board and Committees in annual reviews of their performance

Each of the members of our Nominating and Corporate Governance Committee meets the independence standards set forth in the Nasdaq listing standards.

Finance Committee

Members

Messrs. Hanks (Chair),

Espeland, Lincoln, MacDonald, III and Mason

- Reviews financial performance, including comparing our financial performance to budgets and goals
- Reviews capital structure issues, including dividend and share repurchasing policies
- Reviews our financial operations
- Reviews our capital expenditures
- Oversees strategic planning and financial policy matters
- Reviews pension plan funding and plan investment management performance

Each of the members of our Finance Committee meets the independence standards set forth in the Nasdaq listing standards. All of our Directors typically attend the Finance Committee meetings, a practice that has been in place for the past several years.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTOR COMPENSATION *II*

OUR BOARD COMPENSATION PROGRAM

Based upon the recommendations of the Nominating and Corporate Governance Committee, the Board determines our non-employee Director compensation. The Nominating and Corporate Governance Committee periodically reviews the status of Board compensation in relation to other comparable companies, trends in Board compensation and other factors it deems appropriate. In connection with its review in 2017, with Korn Ferry as an independent advisor, the Nominating and Corporate Governance Committee made certain adjustments to Board compensation to better align with our peer group. As a result of that review, in December 2017 the approximate value of annual stock-based awards was increased from $107,000 per year to $125,000 per year and the retainer for the Audit Committee Chair was increased from $16,000 to $18,000. The objectives of our non-employee Director compensation programs are to attract highly qualified and diverse individuals to serve on our Board and to align their interests with those of our shareholders. An employee of Lincoln Electric who also serves as a Director does not receive any additional compensation for serving as a Director, or as a member or chair of a Board committee.

All non-employee Directors receive cash retainers and an annual stock-based award for serving on our Board. Stock-based compensation is provided under our 2015 Stock Plan for Non-Employee Directors. Below is a summary of our Director compensation program:

	Board Level	Lead Director	Committee Chairs
Retainer	$ 80,000	Additional $25,000	Additional $18,000 for Audit $13,000 for Compensation and Executive Development $10,000 for Finance and Nominating and Corporate Governance

Meeting Fees[1]	
Annual Restricted Stock Award approx. value[2]	$125,000
Initial Restricted Stock Award approx. value[3]	$125,000

[1] We do not have separate meeting fees, except if there are more than eight full Board or Committee meetings in any given year, Directors will receive $1,500 for each full Board meeting in excess of eight meetings and Committee members will receive $1,000 for each Committee meeting in excess of eight meetings in total.

[2] The restricted stock agreements contain pro-rata vesting of the award upon retirement. Accordingly, if a Director retires before the restricted stock award vests in full [1 year from the date of the grant], the Director will receive unrestricted shares equal to a portion of the original award calculated based on the Director s length of service during the 1-year term.

[3] The initial award will be pro-rated based on the Director s length of service during the twelve-month period preceding the next regularly scheduled annual equity grant [which normally occurs in the fourth quarter of each year].

Table of Contents

Director Compensation Table

Director	Fees Earned or Paid in Cash	Stock Awards[1]	All Other Compensation	Total
Curtis E. Espeland	$ 96,000[2]	$124,940		$220,940
David H. Gunning	105,000	124,940		229,940
Stephen G. Hanks	90,000	124,940		214,940
Michael Hilton	80,000	124,940		204,940
G. Russell Lincoln	80,000	124,940		204,940
Kathryn Jo Lincoln	90,000	124,940		214,940
William E. MacDonald, III	93,000	124,940		217,940

Phillip J. Mason	80,000	124,940	204,940
Hellene S. Runtagh	80,000	124,940	204,940
George H. Walls, Jr.	80,000[2]	124,940	204,940

[1] On December 14, 2017, 1,391 shares of restricted stock were granted to each non-employee Director under our 2015 Stock Plan for Non-Employee Directors. The Stock Awards column represents the grant date fair value under Accounting Standards Codification [ASC] Topic No. 718 based on a closing price of $89.82 per share on December 14, 2017. Assumptions used in the calculation of these amounts are included in footnote 9 to our audited financial statements for the fiscal year ended December 31, 2017 included in our Annual Report on Form 10-K filed with the SEC on February 27, 2018. As of December 31, 2017, the aggregate number of shares of restricted stock held by each non-employee Director was 4,727 shares, except for Mr. Hilton, who held 5,313 shares of restricted stock.

[2] All of Messrs. Espeland s and Walls board fees were deferred under our Non-Employee Director s Deferred Compensation Plan.

Other Arrangements

We reimburse Directors for reasonable out-of-pocket expenses incurred in connection with attendance at Board meetings, or when traveling in connection with the performance of their services for Lincoln Electric.

Continuing Education

Directors are reimbursed ($5,000 is used as a guideline) for continuing education expenses (inclusive of travel expenses) for programs each Director may elect.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Stock Ownership Guidelines

In keeping with the philosophy that Directors interests should be aligned with the shareholders and as part of the Board s continued focus on corporate governance, all of our non-employee Directors must adhere to our stock ownership guidelines. Restricted stock awards count toward the stock ownership guidelines; common shares underlying stock options and shares held in another person s name (including a relative) do not. The stock ownership guidelines can be met by satisfying one of the two thresholds noted in the chart below. As of December 31, 2017, all of our non-employee Directors had satisfied the stock ownership guidelines. Directors have five years from the date of election to the Board to satisfy the stock ownership guidelines. The Nominating and Corporate Governance Committee reviews the guidelines at least every two-and-a-half years to ensure that the components and values are appropriate a review was conducted during 2017, with the assistance of Korn Ferry as an independent advisor, and it was determined that the guidelines should be adjusted to better align with our peer group. The next review is anticipated to occur in 2019.

Retainer Multiple		Number of Shares
Shares valued at 5 x annual Board retainer [$400,000]	OR	4,368*

** Represents shares equal to $400,000 based on the closing price of Lincoln Electric stock as of December 29, 2017 [the last trading day of the calendar year] of $91.58.*

Equity Awards

The 2015 Stock Plan for Non-Employee Directors is the vehicle for the annual and initial grants of stock-based awards.

Under the terms of the awards, shares of restricted stock vest in full one year after the date of grant, with accelerated vesting in the event of a change in control of Lincoln Electric if the Director s service is terminated or if the award is not assumed upon the change in control, or upon the death or disability of the Director, as well as accelerated vesting of a pro-rata portion of the award upon retirement based on the Director s length of service during the 1-year term. During the period in which the shares remain forfeitable, dividends are paid to the Directors in cash.

Deferred Compensation Plan

Adopted in 1995, this plan allows the non-employee Directors to defer payment of all or a portion of their annual cash compensation. This plan allows each participating non-employee Director to elect to begin payment of the deferred amounts as of the earlier of termination of services as a Director, death or a date not less than one full calendar year after the year the fees are initially deferred.

The investment elections available under the plan are the same as those available to executives under our Top Hat Plan, which is discussed below in the narrative of the Nonqualified Deferred Compensation Table.

Table of Contents

EXECUTIVE COMPENSATION

Our 2020 Vision and Strategy is focused on key actions and initiatives that generate long-term profitable growth within our targeted markets through value-added solutions and operational excellence. We have established targets in our programs to achieve a long-term 10% compounded annual growth rate (CAGR) in sales, a 15% average Adjusted Operating Income Margin and Return on Invested Capital (ROIC) through an economic cycle, as well as a 15% Average Operating Working Capital to Net Sales (AOWC/Sales) ratio by 2020. We believe this framework engages our business team in creating a long-term value proposition for shareholders that generates above-market returns through an economic cycle while maintaining a short-term focus on improving profitability and driving operating excellence. Our executive compensation designs are structured to align our incentives with this 2020 Vision and Strategy. More information on our business and 2020 Vision and Strategy can be found in the Business Overview section at the beginning of this proxy statement.

The Compensation Discussion and Analysis (CD&A) describes our executive compensation programs and how they apply to our NEOs.

2017 Named Executive Officers [NEOs]

Name	Title
Christopher L. Mapes	Chairman, President and Chief Executive Officer
Vincent K. Petrella	Executive Vice President, Chief Financial Officer and Treasurer
George D. Blankenship	Executive Vice President, President, Americas Welding

Steven B. Hedlund	Executive Vice President, President, International Welding
Jennifer I. Ansberry	Executive Vice President, General Counsel and Secretary

The CD&A contains statements regarding future performance targets and goals. These targets and goals are disclosed in the context of our compensation programs and should not be understood to be statements of management s expectations or estimates of results or other guidance. We caution investors not to apply these statements in other contexts.

Executive Compensation Table of Contents

Table of Contents

EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION / /

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Our approach to executive compensation is generally the same as our approach to employee-wide compensation, with a strong belief in pay for performance and a long-standing commitment to incentive-based compensation.

While maintaining our performance-driven culture, our executive compensation program is designed to achieve the following objectives:

- Incent our executives to deliver above-market financial results;
- Align management interests with the long-term interests of our shareholders;
- Define performance drivers which support key financial and strategic business objectives;
- Address specific business challenges; and
- Maintain good governance practices in the design and operation of our executive compensation programs, including consideration of the risks associated with those practices.

OVERVIEW

We maintain a performance-driven culture, with **pay for performance** compensation programs

84% of CEO target pay was at risk and, on average, 77% of all NEO target pay was at risk

Of the shareholders who voted on say-on-pay, 95% **voted for** the compensation of our NEOs at last year s Annual Meeting

Mindful of our shareholders strong support, we have retained our general approach and **emphasis on incentive compensation**

Key Financial Performance

We have a strong track record of delivering increased value to our shareholders and we have typically delivered above-market performance across various financial metrics over many economic cycles. Our long-term 2020 Vision and Strategy seeks to achieve profitable sales growth both organically and through acquisitions by emphasizing value-added solutions and differentiated technologies to our mix. We anticipate this strategy will yield improved profit margins and returns, and will generate best-in-class financial performance measured against our peer group.

In 2017, sales increased approximately 15% to $2.6 billion from 7% organic growth and 8% primarily from our acquisition of Air Liquide Welding, which substantially increased our European business. Our strategic emphasis on improving our mix, achieving operational excellence and diligent cost management resulted in operating income growth, double digit percent earnings per share growth, record working capital performance in our core business, strong cash flows and solid return on invested capital. Highlights include:

Reported operating income margin was 14.4%. Excluding special items, Adjusted operating income margin was 13.8% reflecting the unfavorable impact of the acquisition. Excluding the acquisition and special items, adjusted operating margin would have been 14.7%, a 50 basis point increase versus the prior year;

Cash flow from operations increased 7% to $335 million, representing 108% free cash flow conversion of adjusted net income;
Average operating working capital (AOWC) to net sales ratio of 15.9%. Excluding the acquisition, record 14.2% AOWC ratio;

ROIC of 16.2%; and

Cash returned to shareholders of $136 million through a 9.4% increase in the dividend payout rate and $43 million in share repurchases.

2017 diluted earnings per common share (EPS) was $3.71, including special item after-tax net charges of $0.08 per diluted share. On an adjusted basis, 2017 EPS increased 15% to $3.79, as compared with $3.29 in 2016.

We continued to pursue our 2020 Vision and Strategy through the development of innovative solutions and acquisitions. In 2017, we increased R&D spend by 7%, which represents approximately 1.8% of revenue. Our investments in innovation generated a sales vitality index from new products launched in the last five years of 34%, and we achieved a 39% vitality index in equipment systems.

Financial Measures Used For Compensation Purposes

We consider various types of widely reported financial metrics, each of which is related to our executive compensation programs in some way. Some of these financial metrics directly impact our executive compensation programs, while others are the closest approximation to the metrics that we use in our programs. We believe that all of these financial metrics are critical to the short-term and long-term growth and performance of our organization.

Short-term financial metrics used to evaluate operational performance and used in our annual bonus design are:

- Adjusted earnings before interest, taxes and bonus (EBITB), and
- Average operating working capital to net sales ratio (AOWC/Sales) for compensation purposes.

The following charts illustrate our performance in these or comparable metrics.

[1] Excluding special items where applicable. Definitions and a reconciliation of non-GAAP results to our most closely comparable GAAP results are included in Appendix A.

[2] See Appendix A for definitions of AOWC/Sales for Compensation Purposes.

Table of Contents

EXECUTIVE COMPENSATION

Financial metrics considered in long-term compensation programs include:

- Adjusted net income for compensation purposes growth (over a three-year cycle),
- Three-year average ROIC for compensation purposes indexed to peer performance, and
- Share price appreciation, including dividends (TSR), versus various indices over a three-year period.

The following tables illustrate Lincoln Electric s Adjusted Net Income for Compensation Purposes, ROIC for Compensation Purposes and TSR performance. ROIC for Compensation Purposes and TSR results are compared to our peer group, S&P 400 Midcap Index (in which we participate), S&P 400 Midcap Manufacturing Index and the S&P 500 Index. The ROIC for Compensation Purposes and TSR percentile rankings show the position of Lincoln Electric s financial results compared to the particular group, with a 50th percentile ranking indicating median (or market) performance. Percentiles below 50 indicate below-market performance, while percentiles above 50 indicate above-market performance. Information is based on the most recently available public information (as accumulated by an independent third party), as of January 2018 when the analysis was performed.

3-Year [2015-2017] Average ROIC[1,2] Performance

Percentile Rank to Peers and Select Indices

Peers	S&P Midcap 400	S&P Midcap 400 Mfg
71st	86th	82nd

[1] Excludes certain items as approved by the Committee where applicable. See discussion and definitions on page 45 in the Long-Term Incentive Plan (LTIP) section in Performance Measures and in Appendix A.

[2] As of September 30, 2017.

/ 32

Table of Contents

3- and 5-Year Total Shareholder Return

The following charts compare the change in the cumulative total shareholder return on our common stock against the cumulative total shareholder return of the S&P Composite 500 Stock Index (S&P 500) and the S&P 400 Midcap Index (S&P 400) for the three-year and five-year periods ending December 31, 2017. The charts assume that $100 was invested at the beginning of each period in each of Lincoln Electric common stock, the S&P 500 and the S&P 400.

Pay for Performance, Objectives and Process

In designing our executive compensation programs, a core philosophy is that our executives should be rewarded when they deliver financial results that provide value to our shareholders. Therefore, we have established a program that ties executive compensation to superior financial performance.

To assess pay for performance, we evaluate the relationship between CEO pay and TSR performance considering the ISS methodology. This allows us to understand the relative degree of alignment over a three-year period between the pay opportunity delivered to the CEO and the performance achieved by shareholders relative to the ISS peer group. The ISS peer group for this analysis is comprised of 24 companies of which 11 companies overlap with the Lincoln Electric peer group. In conjunction with ISS resources, this analysis is performed by management s compensation consultant, Willis Towers Watson, which is reviewed by the Compensation and Executive Development Committee (the Committee) and by its independent consultant, Korn Ferry.

In evaluating pay and performance alignment, the analysis focuses on CEO pay primarily as reflected in the Summary Compensation Table, with the exception of valuing equity-based awards. All stock-based awards (both time- and performance-vesting) are calculated by multiplying the number of underlying shares by the closing stock price on the grant date, and option awards are calculated using the ISS Black-Scholes option pricing model. This means that for

Lincoln Electric, the CEO is evaluated based on the following compensation elements for the applicable three-year period:

Base pay;

Annual EMIP bonus;

Cash long-term incentive program (Cash LTIP) with the 2015 2017 LTIP being the final cash cycle;

The value of restricted stock units (RSUs) granted (based on the closing price of Lincoln Electric common stock as of the grant date);

The value of performance shares (PSUs) granted (based on the closing price of Lincoln Electric common stock as of the grant date);

The value of stock options granted (based on the ISS Black-Scholes pricing model as of the grant date);

Actual nonqualified deferred compensation earnings; and

All other compensation for the applicable three-year period.

EXECUTIVE COMPENSATION

As the chart below demonstrates, our TSR performance was slightly above the median of the ISS peer group for the most recent three-year period. For the same period, CEO pay was also slightly above the median. Comparing TSR performance with CEO pay resulted in a -5% relative degree of alignment. A medium concern level would be triggered using the 2018 ISS methodology with a relative degree of alignment greater than -40%.

Lincoln Electric Holdings, Inc.: Pay for Performance

3-Year CEO Pay Rank vs. 3-Year TSR Percentile Rank

While we consider the ISS methodology in assessing pay for performance, we view it as one of the variables for evaluating pay for performance alignment. We have provided the ISS analysis in assessing pay for performance for investors that might be utilizing it in evaluating pay for performance.

Table of Contents

2017 Executive Compensation Actions

During 2017, the Committee reviewed the design of our executive compensation programs to ensure consistency with our pay for performance philosophy. The Committee has taken a number of actions over the last few years to better align executive compensation to value drivers in line with our financial performance and shareholder interests. In 2017, the overall design of our executive compensation program was held consistent with the policies developed in prior years. In consultation with its independent adviser, the Committee instituted certain actions to further align executive compensation with our pay for performance philosophy. Key actions approved by the Committee include:

- As a result of freezing the Retirement Annuity Program (RAP) at the end of 2016, implemented a Restoration Plan to allow NEOs to participate in a standard retirement design subject to IRS limitations.
- Amended our Change in Control Severance Agreements to align with market practices.

Good Governance Practices

In addition to our emphasis on above-market financial performance and pay for performance, we design our executive compensation programs to be current with best practices and good corporate governance. We also consider the risks associated with any particular program, design or compensation decision. We believe these assessments result in sustained, long-term shareholder value. Some of those governance practices are described in the Compensation-Related Risk portion of the Corporate Governance section above. Other such practices include:

What We Do	What We Don t Do	
Pay for Performance Focus	No Guaranteed Pay	
[Compensation programs weighted heavily toward variable, at risk, compensation; perform annual reviews of market competitiveness and the relationship of compensation to financial performance].	[No multi-year guarantees for compensation increases, including base pay, and no guaranteed bonuses].	*x*

Balanced Compensation [Compensation opportunities linked to both short-term and long-term periods of time, while aligning compensation with several financial performance metrics that are critical to achievement of sustained growth and shareholder value creation].	No Repricing or Replacement of Underwater Stock Options without Prior Shareholder Approval	*x*
Double Trigger Provisions for Change in Control	No Payment of Dividends on Unvested Equity	*x*
Stock Ownership Policy	No Excessive Perks	*x*
Clawback Policy [Applies to all recent incentive awards for officers].	No Excise Tax Gross-Ups or Tax Reimbursements	*x*
Independent Compensation Committee and Consultants	No Hedging or Pledging of Lincoln Electric Stock	*x*

Table of Contents

EXECUTIVE COMPENSATION

Our Compensation Philosophy

Core Principles

Our executive compensation programs consist of four main components: (1) base pay, (2) annual bonus (EMIP), (3) long-term incentives and (4) benefits/perquisites, all of which are discussed in more detail below. Base pay is targeted at the 45th percentile of the competitive market (below market), while target total cash compensation (which includes an annual bonus that incorporates financial targets) is set at the 65th percentile of the market (above market). Long-term incentive compensation is set at the 50th percentile (at market), and is divided equally among three programs: (1) stock options, (2) restricted stock units (RSUs), and (3) a Performance Share LTIP. Although not targeted to a specific competitive level, we believe our benefits and perquisites, taken as a whole, are at the market median.

We use base pay and benefits to deliver a level of fixed compensation since our compensation programs are heavily weighted toward variable compensation. Therefore, fixed components, such as base pay, are generally below the competitive market for each position, while incentive-based compensation, such as annual bonuses, are set above the competitive market and require above market financial performance. However, because annual bonuses (EMIP) reward short-term operating performance and are paid in cash, our long-term incentive compensation programs are weighted more heavily toward rewards for share price appreciation and long-term profitability. To further align our realizable compensation with share price appreciation or depreciation, beginning in 2016, the cash portion of the long-term incentive plan was replaced with performance shares (PSUs). Individual performance also plays a key role in determining the amount of compensation delivered to an individual in many of our programs, with our philosophy being that the best performers should receive the greatest rewards. In addition, for 2017, as the charts below demonstrate, 84% of the CEO s compensation mix was at risk and 77% of the NEOs compensation mix was at risk.

The following is a summary of our 2017 executive compensation and how each component fits within our core principles:

/ 36

Table of Contents

The Roles of the Committee, External Advisors and Management

The Committee, which consists solely of non-employee Directors, has primary responsibility for reviewing, establishing and monitoring all elements of our executive compensation programs. The Committee is advised by independent executive compensation consultants, Korn Ferry, and independent legal counsel. Management provides recommendations and analysis to the Committee, and is supported in those efforts by its own executive compensation consultant, Willis Towers Watson.

Role of the Committee

Compensation-Related Tasks	Organizational Tasks
Reviews, approves and administers all of our executive compensation plans, including our equity plans	Evaluates the performance of the CEO, including consideration of tone and embodiment of core values, with input from all non-employee directors
Establishes performance objectives under our short-term and long-term incentive compensation plans	Reviews the performance capabilities of the other executive officers, including consideration of tone and embodiment of core values, base on input from the CEO
Determines the attainment of those performance objectives and the awards to be made to our executive officers under our short-term and long-term incentive compensation plans	Reviews succession planning for officer positions, including the position of the CEO

Determines the compensation for our executive officers, including salary and short-term and long-term incentive opportunities

Reviews proposed organization or responsibility changes at the officer level

Reviews compensation practices relating to key employees to confirm that these practices remain equitable and competitive

Reviews our practices for the recruitment and development of a diverse talent pool

Reviews new employee benefit plans or significant changes in such plans or changes with a disproportionate effect on our officers or primarily benefiting key employees

Retains the services of independent legal counsel from time to time to provide input on various matters

Role of External Advisors

Role of External Advisors [Korn Ferry]

Independent executive compensation consultant for the Committee

Advises on matters including competitive compensation analysis, executive compensation trends and plan design, peer group company configuration, competitive financial performance and financial target setting

Reviews analysis and data collection prepared by management (particularly the CEO, the CFO and the Chief Human Resources Officer) and Willis Towers Watson

Reports directly to the Chairperson of the Committee

Meets with the Committee in executive session without the participation of management

Discusses the CEO s recommendations with the Committee to ensure the compensation recommendations are in line with stated compensation philosophies and are reasonable when compared to the competitive market

The Committee is not bound by Korn Ferry s recommendation

Considering all relevant factors (as required by compensation consultant independence standards set forth in applicable SEC rules and Nasdaq listing standards), we are not aware of any conflict of interest that has been raised by the work performed by Korn Ferry

Role of External Advisors [Willis Towers Watson]

Provides executive compensation and other services directly to management

Performs data analysis on competitive compensation, competitive financial performance and financial target setting

Provides analysis to Korn Ferry in advance to allow Korn Ferry to comment upon the findings and recommendations made by management

Table of Contents

EXECUTIVE COMPENSATION

Role of CEO and Management

- Provides compensation-related recommendations to the Committee
- The CEO recommends the compensation for other executive management positions and provides the Committee with assessments of their individual performance (both of which are subject to Committee review)
- Performs individual performance assessments based on achievement of various financial and leadership objectives set by the CEO
- Receives suggestions from the Committee for modifications to financial and leadership objectives where warranted

Our Methodologies

Selection of Compensation Elements

As part of its annual review, the Committee evaluates whether changes in the philosophy or structure are warranted in light of emerging trends, business needs and/or financial performance. The Committee then uses competitive market data, performance assessments and management recommendations to set the pay components along the targets described above (for example, 45th percentile for base pay). Actual pay for executive management will generally fall within a range of these targets (plus or minus 20%). Absent significant increases due to promotion, increases for break-through individual performance or significant changes in the competitive market data, pay increases are generally in line with national trends.

Market Comparison Data

We collect competitive market compensation data from multiple nationally published surveys, from proxy data for a peer group of companies and from proxy data for companies in the S&P Midcap 400 Index. Nationally published survey market compensation data is statistically determined (through regression analysis) to approximate our revenue size and aged to approximate more current data. Regression analysis is used for survey data, however it is no longer used to approximate our revenue size for peer group compensation data, as the peer group was modified in 2016 to remove all companies with sales greater than 2.5 times that of Lincoln Electric, with the exception of Illinois Tool Works (ITW), as detailed below.

Peer Group

We use a peer group of publicly traded industrial companies that are headquartered in the U.S. that serve a number of different market segments and that have significant foreign operations. These are companies for which Lincoln Electric competes for talent and shareholder investment. In addition, we only select companies with solid historical financial results (removing companies from the peer group when their financial performance has consistently fallen below an acceptable level) and companies with sales that are within 2.5 times that of Lincoln Electric, with the exception of ITW, as ITW is a global competitor with its largest presence in the U.S. The Committee conducts an annual review of our peer group. As compared to our 2016 peer group, the Company modified its peer group by eliminating CLARCOR Inc., following it being acquired in 2017.

For 2017, our peer group consisted of the following 18 publicly traded industrial corporations:

Ametek Inc	Flowserve Corporation	Kennametal Inc	SPX Corp
Carlisle Companies Inc	Graco Inc	Nordson Corporation	The Timken Company
Colfax Corporation	IDEX Corp	Regal Beloit Corporation	The Toro Company
Crane Company	ITW	Rockwell Automation	
Donaldson Co	ITT Corp	Roper Industries	

Table of Contents

Executive Compensation Structure

Business Needs. The Committee s independent compensation consultant (Korn Ferry) assists in presenting information about emerging trends in executive compensation, along with Committee members own reading and study. These trends are considered in light of our compensation philosophies and various business needs. Business needs that are evaluated can include: talent attraction or retention strategies, growth expectations, strategic programs, cost-containment initiatives, management development needs and our company culture. No single factor guides whether changes will be made. Instead, the Committee uses a holistic approach, considering a variety of factors.

Individual Performance. Individual performance is a significant factor in determining annual changes (up or down) to pay components. In addition, the annual bonus includes an individual performance component in determining the percentage of target to be paid (described below and as noted in the annual bonus (EMIP) matrix). Individual performance is measured against how well an executive demonstrates proficiency in key leadership competencies as well as the executive s achievement against objectives established for him or her at the beginning of the year. For the past three years, individual performance ratings for the annual bonus for officers have ranged from 110 to 130.

Pay for Performance Review. In determining whether changes will be made to the existing philosophy or structure and before setting compensation levels for the upcoming year, the Committee conducts its annual assessment of Lincoln Electric s financial performance and pay for performance (both of which are described above). These reviews are used to evaluate whether executive compensation is properly aligned with our financial performance.

For the two cycles prior to the 2015 to 2017 compensation cycle, TSR performance was above peer group results, and CEO pay was below. Accordingly, the Committee had taken actions to improve the alignment of CEO pay with shareholder interests, which included modifying the annual bonus (EMIP) matrix in 2015, modifying the vesting period on RSUs to three years from five years beginning with grants awarded after October 2015, and replacing the cash portion of long-term incentives with performance shares beginning with 2016 grants associated with the 2016 to 2018 performance cycle.

Timing of Compensation Determination and Payouts

Base pay, annual bonus targets and long-term incentive awards are set at a regularly scheduled Committee meeting held in the first quarter of the year. Payout amounts for the annual EMIP (bonus) and the Cash LTIP are determined after year-end, at the first available Committee meeting of the following year (normally in February) or a subsequent special meeting (normally in March), once final financial results are available. As mentioned above, beginning with the 2016 to 2018 performance cycle, the Performance Share LTIP replaced the Cash LTIP. Compensation associated with the Cash LTIP is disclosed in the Summary Compensation Table when realized (at the end of the cycle) and compensation associated with the Performance Share LTIP is disclosed when granted (at the beginning of the cycle). Therefore, with respect to 2016 and 2017, compensation associated with the Cash LTIP and the Performance Share LTIP are both disclosed in the 2017 Summary Compensation Table.

Elements of Executive Compensation

Each compensation component for our NEOs is described below, with specific actions that were taken during 2017 noted. For 2017 compensation amounts, please refer to the Summary Compensation Table and other accompanying tables below.

Base Pay

Base compensation is provided to our executives to compensate them for their time and proficiency in their positions, as well as the value of their job relative to other positions at Lincoln Electric. Base salaries are set based on the executive s experience, expertise, level of responsibility, leadership qualities, individual accomplishments and other factors. That being said, we aim to set base salaries at approximately the 45th percentile of the market (slightly below market) in keeping with our philosophy that greater emphasis should be placed on variable compensation.

Table of Contents

EXECUTIVE COMPENSATION

2017 and 2018 Base Pay

During 2017, the Committee reviewed officer pay, including all NEOs, as compared to the market. The Committee approved certain increases in NEO base salaries as detailed below, bringing the base pay within the competitive framework and recognizing the promotions of Mr. Hedlund and Ms. Ansberry.

NEO	Increase %	2017 Base Salary
C. L. Mapes	3%	$935,000
V. K. Petrella	2%	$485,000
G. D. Blankenship	0%	$500,000
S. B. Hedlund	7%	$377,000[1]
J. I. Ansberry	25%	$325,000

[1] From January 1 through May 30, 2017, Mr. Hedlund s base pay was $361,000. Upon his appointment as Executive Vice President, President, International Welding, the Committee adjusted Mr. Hedlund s base pay to $377,000.

For 2018, excluding Ms. Ansberry, the average base salary increase for the NEOs was 2.8%. Due to her recent promotion and ensuring her base pay is brought within the competitive framework, Ms. Ansberry received a 2018 base pay increase of 21.2%.

Annual Bonus (EMIP) and Total Cash Compensation

The Executive Management Incentive Plan (EMIP) provides executive officers, including the NEOs, with an opportunity to receive an annual cash bonus. We believe that, given base pay is below market, annual cash bonus opportunities should be above average to balance some of the risk associated with greater variable compensation. However, we also believe that above-market pay should only be available for superior individual and financial performance. Therefore, we target total cash compensation (base and bonus target) at the 65th percentile of the market, but use a structure that provides payments of above-average bonuses only where the individual s performance, that of the consolidated company and that of his or her particular segment or business unit warrant it.

ANNUAL BONUS (EMIP) MATRIX

The percentage of target bonus actually paid is based upon a matrix that takes into account financial performance and an executive s individual performance. If either of these factors is not met, the percentage of target bonus paid is reduced, with the potential that no bonus will be paid. If either of these factors exceeds expectations, the percentage paid can be above the target amount.

As mentioned above, the EMIP matrix was modified in 2015, such that performance hurdles were adjusted on the high and low end of the matrix to increase or reduce payouts for higher or lower levels of performance, including increasing the potential maximum payout from 160% to 180%. The 2017 EMIP matrix used is consistent with prior years.

Table of Contents

2017 EMIP Matrix

Individual Performance Rating	Financial Performance							
	50%	60%	70%	80%	90%	100%	110%	120%
	Percentage Payout							
130	0	50%	80%	100%	130%	150%	160%	180%
120	0	40%	70%	90%	120%	135%	150%	160%
110	0	30%	60%	80%	110%	120%	140%	150%
100	0	20%	50%	60%	90%	100%	135%	145%
95	0	0	20%	50%	80%	90%	115%	125%
90	0	0	0	20%	50%	80%	100%	110%

85	0	0	0	0	20%	50%	60%	70%
80	0	0	0	0	0	20%	30%	50%
75	0	0	0	0	0	0	0	0

The Committee has discretion to approve EMIP payments outside of the strict application of this matrix. There were no such adjustments made for the 2017 EMIP payments for any NEO. EMIP payout determinations for the 2017 performance period were made in the first quarter of 2018.

Annual Bonus [EMIP] Financial Metric

A portion of the EMIP financial component is based upon achievement of company consolidated financial performance against budget and another portion may be attributable to segment financial performance against budget, depending upon the individual s span of responsibility. By varying the financial metrics used based upon areas of responsibility, it is possible that certain participants will receive a higher percentage of target bonus while others will receive a lower percentage of target where the segment performance for one participant is better than the segment performance for the other. This is a key component of our pay for performance and incentive-based philosophies. For 2017, consolidated and most segment results were nearly at or above budgets.

2017 EMIP payouts for all officers ranged between 40% to 58% above target, with an average payout of 50% above the targeted amounts.

The following is a summary of the financial components used for 2017 for the NEOs:

2017 Annual Bonus [EMIP] Financial Metrics Used

NEOs	Consolidated Results	Segment Results
Christopher L. Mapes Chairman, President & CEO	100%	
Vincent K. Petrella EVP, CFO & Treasurer	100%	
George D. Blankenship EVP, President, Americas Welding	50%	50% Americas Welding
Steven B. Hedlund EVP, President, International Welding	50%	50% International Welding[1]

Jennifer I. Ansberry	EVP, General Counsel & Secretary	100%

[1] From January 1 through May 30, 2017, Mr. Hedlund s 2017 EMIP was based 50% on the results of Global Automation. Upon his appointment as Executive Vice President, President, International Welding, the Committee adjusted the financial metrics to the results of International Welding Segment and his payout was prorated based on his time in each area of responsibility.

EXECUTIVE COMPENSATION

EBITB. One of the EMIP financial metrics is the achievement of earnings before interest, taxes and the bonus referred to above (EBITB) as compared to budget. Since 2011, this metric accounts for 75% of the EMIP financial component. EBITB to budget has been used as the financial metric for the annual bonus since its inception in 1997 because it is an important indicator of profitability. Budgets are set aggressively (based on the local and global economic climate), at the beginning of the year, are reviewed by the Finance Committee of the Board and are approved by the full Board. The following is a summary of historical consolidated results:

Historical EBITB to Budget [Consolidated Results since 1997]

	Consolidated Results
Average	101%
Highest Level	141%[1]
Lowest Level	67%

[1] Capped at the time [2004], at 120%.

When performance goals are set, we believe that there is an equal probability of achieving EBITB to budget in any year, although the cyclical nature of our business may increase the probability in some years and decrease it in others. For 2017, the consolidated EBITB budget was set at $417.4 million and actual performance for 2017, as adjusted, measured at budgeted exchange rates, was $457.0 million, or an advance of 109.5% of budget. The Americas Welding Segment EBITB budget was set at $354.9 million and actual performance for 2017, as adjusted, measured at budgeted exchange rates, was $377.3 million, or an achievement of 106.3% of budget. The International Welding Segment EBITB budget was set at $58.8 million and actual performance for 2017, as adjusted, measured at budgeted exchange rates, was $65.4 million or an achievement of 111.2% of budget.

AOWC/Sales for Compensation Purposes. Since 2007, a second EMIP financial metric, namely the achievement of budget for average operating working capital (AOWC) as compared to sales (AOWC/Sales), has been used as a reflection of our commitment to improving cash flow. Since 2011, AOWC/Sales for Compensation Purposes has accounted for 25% of the EMIP financial component. The following is a summary of historical consolidated results:

Historical AOWC/Sales to Budget [Consolidated Results since 2007]

	Consolidated Results
Average	101%
Highest Level	111%
Lowest Level	88%

Like EBITB, we believe that there is an equal probability of achieving AOWC/Sales for Compensation Purposes to budget in any given year, although the cyclical nature of our business may increase the probability in some years and decrease it in others. For 2017, the consolidated AOWC/Sales for Compensation Purposes budget was set at 20.6% (2016 performance was 21.2%) and actual performance for 2017, excluding businesses acquired during the year, was 19.8% or an achievement of 104.0% of budget. The Americas Welding Segment AOWC/Sales for Compensation Purposes budget was set at 17.0% and actual performance for 2017, excluding businesses acquired during the year, was 16.2%, or an achievement of 104.8% of budget. The International Welding Segment AOWC/Sales for Compensation Purposes budget was set at 29.8% and actual performance for 2017, excluding businesses acquired during the year, was 29.3%, or an achievement of 101.5% of budget.

Table of Contents

2017 Annual Bonus [EMIP] and Total Cash Compensation

The 2017 EMIP annual bonus targets for the NEOs were established according to the principles discussed above. The 2017 EMIP targets for the NEOs placed their total targeted cash compensation (base and bonus targets), on average, slightly below the 65th percentile of market.

In approving the 2017 EMIP payouts, the Committee assessed our EBITB performance and AOWC/Sales for Compensation Purposes performance against budget for consolidated and segments, as applicable. On average, 2017 EMIP payments for the NEOs were 11% higher than the 2016 payments (which excludes Ms. Ansberry whose target increased 53% with her promotion) and 53% above their 2017 target amounts, as shown below.

NEO	Target Award Opportunity $	Target Award Opportunity as a % of Base Salary	Maximum Award Opportunity Based on Matrix	Actual Award	Actual Award as a % of Target
C. L. Mapes	$1,252,000	134%	$2,253,600	$1,952,369	156%
V. K. Petrella	$ 450,000	93%	$ 810,000	$ 711,585	158%
G. D. Blankenship	$ 450,000	90%	$ 810,000	$ 675,675	150%
S. B. Hedlund	$ 286,384[1]	77%	$ 515,491	$ 425,963	149%
J. I. Ansberry	$ 230,000	71%	$ 414,000	$ 351,141	153%

[1] From January 1 through May 30, 2017, Mr. Hedlund s 2017 EMIP annual bonus target was $260,000. Upon his appointment as Executive Vice President, President, International Welding, the Committee adjusted Mr. Hedlund s 2017 EMIP annual bonus target to $305,000.

2018 Annual Bonus [EMIP] and Total Cash Compensation

The 2018 EMIP targets for the NEOs, approved in the first quarter of 2018, were established by the Committee in consultation with Korn Ferry, based on our compensation philosophies as well as competitive market data as discussed above. The 2018 bonus targets reflect an increase from the 2017 target amounts of, on average 12.9%, for the NEOs, largely attributed to bringing Mr. Hedlund (18% increase) and Ms. Ansberry (33% increase) closer to market with their recent promotions. Even with the increases, the NEOs were still, on average, slightly below the 65th percentile on targeted total cash compensation.

Long-Term Incentives

We believe that long-term incentive opportunities should be provided to focus rewards on factors that deliver long-term sustainability and should be established at the median (or 50th percentile) of the market. We have targeted the median of the market, in keeping with our pay for performance philosophy, because we believe that superior long-term financial growth itself should be the main driver of above-market long-term incentive compensation. We also believe that different financial metrics help drive long-term performance. Therefore, we have established a structure for long-term incentives that combines several different long-term metrics, with the greatest emphasis placed on share appreciation and non-cash awards.

For 2017, our long-term incentive program is made up of three components: (1) stock options, (2) RSUs and (3) a Performance Share LTIP. The value of each is weighted equally. This provides an even balance with respect to the different attributes and timing associated with each type of award. Annual awards of all three components are made to EMIP participants, including the NEOs. As noted above, starting with the 2016 long-term incentive program, the cash portion of the LTIP was replaced with performance shares.

Table of Contents

Long-term incentive awards are set at regularly-scheduled Committee meetings held in the first quarter of the year. Payout amounts for the Cash or Performance Share LTIP are determined after year-end at the first available Committee meeting of the following year (normally in February) or a subsequent special meeting (normally in March), once final financial results are available. Compensation associated with the Cash LTIP is disclosed in the Summary Compensation Table when realized (at the end of the cycle) and compensation associated with the Performance Share LTIP is disclosed when granted (at the beginning of the cycle). With respect to 2016 and 2017, compensation associated with the Cash LTIP and the Performance Share LTIP are both disclosed in the 2017 Summary Compensation Table and discussed in more detail below. This is the final cash portion of the LTIP.

Stock Options

All EMIP participants (including the NEOs) and other senior leaders receive an annual stock option award. A total of 23 employees received stock options during our annual grant in February 2017. Stock options vest ratably over a three-year period.

Restricted Stock Units

All EMIP participants (including the NEOs) receive an annual RSU award. Recognizing that equity awards are a valuable compensation tool, we also extend RSUs to senior leaders, managers and significant contributors, regardless of their position within Lincoln Electric. A total of 298 employees (including our NEOs) received RSUs during the annual grant in February 2017. Beginning with grants awarded after October 2015, RSUs vest in full after three years of continuous service.

Table of Contents

Long-Term Incentive Plan [LTIP]

A cash long-term incentive plan, or Cash LTIP, has been in place for officers (EMIP participants) since 1997. As previously discussed, during 2015, the Committee modified the executive compensation program to replace the cash incentive with performance shares, or the Performance Share LTIP. The terms of the awards mirror the performance objectives tied to the Cash LTIP but payouts will be in shares of Lincoln Electric common stock.

The Performance Share LTIP is designed to offer reward opportunities aligned with the long-term performance of Lincoln Electric. Target share amounts for the plan are set each year at the beginning of a three-year performance cycle based on a 7-day historical average of the stock price, up to and including the grant date, as mentioned above. Because awards are made each year and because each award relates to a three-year performance cycle, three different cycles will be running at any point in time. The percentage of the target shares actually paid at the end of the applicable three-year cycle will be based upon achievement of three-year company performance against pre-established performance thresholds. Each plan has six to seven performance thresholds with percentage payouts attributable to those thresholds ranging from 0% to 200% of target. The Committee retains discretion to modify payments to any participant, to modify targets and/or to modify the performance thresholds (up or down).

Performance Measures. Since its inception, the LTIP has used a performance measure of growth in Adjusted Net Income for Compensation Purposes over the three-year cycle. Beginning in 2009, the Committee added a second metric of ROIC for Compensation Purposes and gave these two financial metrics a 50/50 weighting. The Adjusted Net Income metric is an absolute metric. For the 2015 to 2017 performance cycle, the growth in Adjusted Net Income over the three-year cycle is based on growth above $301,630,000 (which was the Adjusted Net Income for 2014 when the 2015 to 2017 performance cycle was set). As the 2015 to 2017 Cash LTIP table below demonstrates, to pay 100% of target, Adjusted Net Income over the three-year cycle must be at or above 140% of $301,630,000 (or $422,282,000).

From time to time, the Committee has considered and approved certain limited adjustments to reported net income (both positive and negative) in determining Adjusted Net Income for Compensation Purposes to evaluate achievement of performance against the thresholds. Each adjustment is reviewed in detail before it is made. The types of adjustments the Committee has considered include: rationalization charges, certain asset impairment charges, the gains and losses on certain transactions including the disposal of certain assets and other special items. To the extent an adjustment relates to restructuring or rationalization charges that are intended to improve organizational efficiency, a corresponding charge (equal to the adjustment) is amortized against future years adjusted net income until that adjustment is fully offset against the intended savings (generally this amortization occurs over a three-year period).

The ROIC for Compensation Purposes metric for the 2015 to 2017 performance cycle is a relative value that is derived based on our performance as compared to our proxy peer group (as opposed to an absolute value). In this 2015 to 2017 performance cycle, certain adjustments have been approved by the Committee in comparably measuring performance. In 2015, pension settlement charges primarily related to the purchase of a group annuity contract were excluded. In 2016, the ROIC for Compensation Purposes calculation was adjusted to exclude the incremental balance in cash and marketable securities as of December 31, 2016 compared with the December 31, 2013 balance, as well as interest expense, associated with the long-term notes drawn as a result of the execution of our capital allocation strategy.

Table of Contents

EXECUTIVE COMPENSATION

Performance Thresholds. In setting the performance thresholds for a new three-year period, the Committee considers various factors, including historical performance against established thresholds, to try to achieve a 50% probability of the target thresholds for any cycle. When the 2015 to 2017 Plan was set at the beginning of 2015, the Committee made a slight modification to the ROIC for Compensation Purposes performance thresholds and reduced the maximum threshold of the metric to the 80th percentile relative to peers from the 90th percentile relative to peers.

Timing for Setting Performance Measure and Performance Thresholds. Performance targets are set at the beginning of the first fiscal year in the cycle. This timing allows the Committee to see our final financial results for the prior year and allows for more current macro-economic projections to be used.

2015 to 2017 Cash LTIP. The following is a summary of the performance metric ranges of all eighteen completed plan cycles, including the most recently completed cycle (2015 to 2017):

Ranges of All Prior 3-Year LTIP Cycles

	Payout Amount	3-Year Adjusted Net Income for Compensation Purposes Growth	3-Year Average ROIC for Compensation Purposes
Performance	% of Target	LTIP Metric since 1997	LTIP Metric since 2009
Threshold	25%	0% to 15%	40th %ile to 40th %ile
	50%	3% to 25%	50th %ile to 50th %ile

Target	100%	6% to 40%	60th %ile to 65th %ile
	150%	9% to 60%	70th %ile to 75th %ile
Maximum	200%	15% to 80%	80th %ile to 90th %ile
Actual Payout Range		0.0% to 200.0%	87.6% to 176.3%

For the 2015 to 2017 cycle, because the net income performance threshold was not met but the ROIC for Compensation Purposes performance threshold was exceeded, payouts were made at 87.4% of target. Payments under the plan have been made in thirteen out of the eighteen completed three-year cycles. The following is the most recently completed cycle (2015 to 2017):

2015 to 2017 Cash LTIP

Performance	Payout Amount % of Target	3-Year Adjusted Net Income for Compensation Purposes Growth Absolute LECO Net Income [000s]		3-Year Average ROIC for Compensation Purposes Relative to LECO Peer Group	
Threshold	25%	10%	$331,793	40th %ile	9.3%
	50%	25%	$377,038	50th %ile	11.2%
Target	100%	40%	$422,282	65th %ile	14.3%
	150%	60%	$482,608	70th %ile	14.8%
Maximum	200%	80%	$542,934	80th %ile	15.8%
	87.4%	0.00%	0.00%	174.9%	87.4%

Actual Payout	@ 50% Weighting	@ 50% Weighting

/ 46

Table of Contents

As shown above, the current plan cycle contains two metrics, each with a 50% weighting. Lincoln Electric s Adjusted Net Income for Compensation Purposes growth over the three-year period declined 17.6%, which did not result in a payout as the threshold of 10% net income growth was not met. Lincoln Electric s three-year average return on invested capital (ROIC) for Compensation Purposes, as compared to its peer group, was at the 75th percentile, which generated a 174.9% of target payout for this metric. As shown in the following chart, combining the payouts for both metrics, the resulting final payout for the 2015 to 2017 Cash LTIP was 87.4% of the target amounts.

NEO	Target Award Opportunity $	Maximum Award Opportunity Based on Thresholds	Actual LTIP %	Actual Award
C. L. Mapes	$1,117,000	$2,234,000	87.4%	$976,537
V. K. Petrella	$ 275,000	$ 550,000	87.4%	$240,419
G. D. Blankenship	$ 222,000	$ 444,000	87.4%	$194,084
S. B. Hedlund	$ 103,000	$ 206,000	87.4%	$ 90,048
J. I. Ansberry	$ 40,000	$ 80,000	87.4%	$ 34,970

2017 Long-Term Incentives

In evaluating 2017 long-term incentive compensation (at the beginning of 2017), the Committee reviewed 2015 and 2016 compensation versus the competitive benchmarks. The Committee concluded that overall the long-term incentives for the NEOs were below our 50th percentile target when compared to both survey and peer proxy data. At the February meeting, the Committee adjusted 2017 long-term incentives for the NEOs on average 2.6%, excluding Ms. Ansberry, who received a 140% increase due to her promotion, still placing her award below the 50th percentile. This average also excludes a special RSU award to Mr. Petrella of $500,000 in recognition of his leadership in executing the Company s capital allocation strategy. In recognition of Mr. Hedlund s promotion in June, the Committee adjusted his annual LTI target to market (36.8% increase; however, this additional LTI target was pro-rated based on his promotional date) and granted a special award of $200,000 split evenly between RSUs and stock options. All of these awards are subject to our Recovery of Funds Policy, which is discussed below.

2018 Long-Term Incentives

In evaluating 2018 long-term incentive compensation (at the beginning of 2018), the Committee reviewed 2016 and 2017 compensation versus the competitive benchmarks. The Committee concluded that overall the long-term incentives for the NEOs were below our 50th percentile target when compared to both survey and peer proxy data and adjusted 2017 long-term incentives for the NEOs on average 16.3%, still placing their LTI targets slightly below the 50th percentile.

Valuation of Equity Awards. Beginning with the 2016 annual grant, for shares under our 2015 Equity and Incentive Compensation Plan, the Committee established set valuation methods in order to convert the approved long-term incentive compensation values to shares upon the grant date. These methods consider a 7-day historical average of the stock price, up to and including the grant date, for RSUs and performance shares and the grant date Black-Scholes for stock options.

Normal Cycle and Out-of-Cycle Equity Awards. The Committee has discretion in awarding grants to EMIP participants and does not delegate its authority to management, nor does management select or influence the award dates. Occasionally, the Committee may approve limited, out-of-cycle special awards for specific business purposes or in connection with executive promotions or the hiring of new executive employees. However, the date used for awards to all EMIP participants, including the NEOs, is the date of a regularly scheduled Committee meeting, which is fixed well in advance and generally occurs at the same time each year.

EXECUTIVE COMPENSATION

The Committee has approved delegated authority to the CEO to designate awards through 2018 to certain employees under the 2015 Equity and Incentive Compensation Plan, subject to specific limits established. The CEO can only grant option and RSU awards and cannot grant awards to any executive officers, Section 16 officers or greater-than-10% beneficial owners of the Company, and must be granted per the agreements and vesting terms already approved by the Committee.

Other Arrangements, Policies and Practices

Overview of Benefits

We intend to provide a competitive group of benefits for all of our employees targeted at the 50th percentile of the market. Some aspects of our benefit programs are considered non-traditional due to their relationship with our pay for performance and incentive-based philosophies. For example, the premiums for Lincoln Electric-provided medical coverage are 100% paid by employees, including the NEOs, on a pre-tax basis. Premiums for dental coverage, which is a voluntary benefit, are also 100% paid by employees. Life insurance coverage paid fully by Lincoln Electric is set at $10,000 per employee, including the NEOs, although employees may purchase additional insurance at their own cost. The NEOs participate in this same cost-sharing approach. We attempt to balance our various non-traditional programs (such as those with a significant portion of the cost borne by the employee) with more traditional programs.

We also provide accidental death and dismemberment benefits to officers, due to the significant amount of travel required in their jobs. Under this program, the premiums of which are paid by Lincoln Electric, a participant s beneficiary would receive a payment of five times annual total cash compensation up to a maximum of $3,000,000 for executive officers and $2,000,000 for other officers upon an officer s accidental death. The policy also provides dismemberment benefits of up to 100% of the death benefit in the event an officer is permanently and totally disabled as a result of an accident, and it provides for medical evacuation coverage as a result of an accident.

Retirement Programs

Retirement benefits are provided to our NEOs through the following programs:

The Lincoln Electric Company Retirement Annuity Program (RAP) had been in effect for eligible employees hired before 2006. Effective January 1, 2006, new employees are no longer eligible to participate in the RAP but participated in The Lincoln Electric Company Employee Savings Plan described below. Effective as of December 31, 2016, the RAP was amended to cease all future benefit accruals for all participants, so that the participants will not earn any additional benefits under the RAP after December 31, 2016. The estimated retirement benefits under the RAP for the NEOs that are shown in the Pension Benefits Table below are based on the NEOs frozen benefit under the RAP as of December 31, 2017.

The Supplemental Executive Retirement Plan (SERP) has been in effect since 1994 but has been closed to new participants since 2005. The purpose of the SERP was, in part, to make up for limitations imposed by the U.S. Internal Revenue Code on payments under tax-qualified retirement plans, and, primarily, to provide an aggregate competitive retirement benefit for SERP participants in line with our overall 50th percentile objective. Participation in the SERP was limited to individuals approved by the Committee. Effective as of December 1, 2016, pursuant to the amendment to the SERP, the value of the frozen accrued vested benefit of each such SERP participant was converted to a notional account balance. The account balance was determined by projecting to December 31, 2016 the participant s SERP benefit and calculating the present value of that projected benefit. Participants account balances will be credited with earnings, gains and losses in accordance with each participant s investment elections which will be made in a manner similar to that undertaken by participants in the amended and restated 2005 Deferred Compensation Plan for Executives.

Table of Contents

A qualified 401(k) savings plan, formally known as The Lincoln Electric Company Employee Savings Plan (401(k) Plan), has been in effect since 1994. For 2017, all of the NEOs deferred amounts under the 401(k) Plan. The 401(k) Plan was amended and restated effective January 1, 2017 and provides that eligible employees of The Lincoln Electric Company and certain affiliated companies will be eligible to receive up to 6% of employees annual compensation in company contributions through:

(1) matching employer contributions equal to 100% of the employees before-tax (401(k)) contributions made to the 401(k) Plan, but not in excess of 3% of annual compensation; and

(2) automatic employer contributions equal to 3% of annual compensation.

These matching and automatic employer contributions will be 100% vested when made. In addition, certain employees affected by the RAP freeze will also be eligible to receive employer contributions equal to 6% of annual compensation for a minimum period of five years, up to the end of the year in which they complete 30 years of service.

A Restoration Plan was created effective January 1, 2017 primarily for the purpose of providing deferred compensation for eligible employees of The Lincoln Electric Company and certain affiliated companies whose annual compensation is expected to be in excess of the Internal Revenue Code limit on compensation (Code Limit) applicable to the 401(k) Plan. The Restoration Plan provides such employees with the benefits that could not be provided under the 401(k) Plan due to the Code Limit.

Each participant s account under the Restoration Plan is credited each year with deferred amounts generally as follows:

(1) a matching employer contribution equal to 3% of annual compensation, minus the maximum amount of matching employer contributions that could have been made to the 401(k) Plan on behalf of such participant; and

(2) a non-elective employer contribution of 3% of annual compensation that is in excess of the Code Limit.

All amounts deferred under the Restoration Plan are fully vested at all times. In addition, certain employees affected by the RAP freeze will also be eligible to receive employer contributions equal to 6% of annual compensation in excess of the Code Limit for a minimum period of five years, up to the end of the year in which they complete 30 years of service. Amounts credited to participants accounts under the Restoration Plan will be payable in cash in accordance with the distribution provisions of the Restoration Plan.

All NEOs participated in the Restoration Plan in 2017.

A deferred compensation plan (Top Hat Plan), is designed to allow participants to defer their current income on a pre-tax basis and to receive a tax-deferred return on those deferrals. There are no company contributions or match. Participation in the Top Hat Plan is limited to individuals approved by the Committee. As of December 31, 2017, there were 15 active employee participants in the Top Hat Plan.

More information on these programs can be found below in the 2017 pension benefits section and 2017 deferred compensation benefits section.

EXECUTIVE COMPENSATION

Perquisites

We offer limited perquisites. For example, we pay for an annual physical for officers and other senior management. We also make available financial planning services to certain officers. However, the cost of these financial planning services is included in the income of the participants. The physical and financial planning programs are optional programs. We also pay the cost of certain club dues for some officers. All personal expenses are borne entirely by the executive and the club dues are included in the income of the participants. Initiation fees for club memberships are paid by the executive. Different perquisites are provided from time to time to non-U.S. based executives; however, they are customary and reasonable in nature and amount (for example, a car lease).

Change in Control Arrangements

We have entered into change in control agreements with all of our NEOs. The agreements are designed generally to assure continued management in the event of a change in control of Lincoln Electric.

The change in control arrangements are operative only if a change in control occurs and payments are only made if the officer s employment is terminated (or if the officer terminates employment due to certain adverse employment changes). The agreements provide our NEOs with the potential for continued employment following a change in control, which help retain these executives and provide for management continuity in the event of an actual or threatened change in control of Lincoln Electric. They also help ensure that our executives interests remain aligned with shareholders interests during a time when their continued employment may be in jeopardy. For a more detailed discussion of our change in control agreements, see Termination and Change in Control Arrangements below. Outside of these change in control agreements, we do not maintain written employment or other severance agreements for U.S.-based employees.

Recovery of Funds Policy

We have adopted a Recovery of Funds Policy (clawback policy) consistent with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). Our policy is more extensive than what Dodd-Frank requires and is applicable to all of our officers, including our NEOs. The policy applies in the event that there is an accounting restatement involving our financial statements due to material non-compliance with the financial reporting requirements under the U.S. federal securities laws. The policy applies to both current and former officers and covers incentive compensation received by the officers in the 3-year period prior to the restatement. Awards of incentive compensation would include annual bonus payments, stock option awards, restricted stock awards, RSUs, performance shares (beginning in 2016) and Cash LTIP awards beginning in 2011, unless Dodd-Frank regulations provide otherwise. Under the policy, in the event of an accounting restatement of our financial statements, the

Committee would review all incentive compensation received during the 3-year covered period and would seek recovery of the amount of incentive compensation paid in excess of what would have been paid if the accounts had been properly stated. We believe that this policy is in the best interests of Lincoln Electric and its shareholders.

Anti-Hedging/Pledging Policy

Consistent with our philosophy to encourage long-term investment in our common stock, our directors and executive officers are prohibited from engaging in any speculative or hedging transactions involving our common stock, including buying or selling puts or calls, short sales or margin purchases. In addition, our insider trading policy prohibits future pledging of Lincoln Electric securities by our executive officers and directors. There are no pledges of Lincoln Electric common stock in place for any of our directors or executive officers.

Table of Contents

Share Ownership

As with the Directors, in keeping with our philosophy that officers should maintain an equity interest in Lincoln Electric and based on our view that such ownership is a component of good corporate governance, we initially adopted stock ownership guidelines for officers in 2006 and increased the guidelines in 2012. The revised guidelines were proposed based on a review of our peer group and corporate governance best practices. Under the current guidelines, officers of Lincoln Electric are required to own and hold a certain number of our common shares, currently at the levels set forth in the table below:

Executive Group	Ownership Guideline
Chief Executive Officer[1]	5 times base salary
Management Committee Members[2]	3 times base salary
Other Officers[3]	2 times base salary

[1] Mr. Mapes.

[2] Includes Messrs. Petrella, Blankenship, Hedlund and Ms. Ansberry as well as 5 other officers at 12/31/17.

[3] Includes other EMIP participants.

The Committee reviewed the stock ownership guidelines in December 2016 at the end of the five years and concluded that they were at appropriate levels when compared to the peer group and market. The guidelines were reset January 1, 2017 and established in the same manner as above. Officers have five years to satisfy the guidelines either by holding (1) shares aggregating the dollar amount specified above (valued at the then current stock price), or (2) that number of shares needed to satisfy the ownership guidelines tied to the base salaries in effect on January 1, 2017 divided by the closing price of a common share on December 30, 2016 ($76.67). RSU awards count towards the stock ownership guidelines; common shares underlying stock options and shares held in another person s name (including a relative) do not. As of December 31, 2017, all of our NEOs met the stock ownership guidelines, with the exception of Ms. Ansberry due to her recent promotion in 2017.

Deductibility of Compensation

Our general philosophy has historically been to qualify future compensation for tax deductibility wherever applicable and appropriate. Qualification is sought to the extent practicable and only to the extent that it is consistent with our overall compensation objectives. Although a portion of the amount we recorded as compensation to Mr. Mapes in 2017 was non-deductible, this does not cause substantial impact to our income tax position. All of the compensation paid to the other NEOs during 2017 was tax deductible by Lincoln Electric for federal income tax purposes.

As part of the 2017 Tax Cuts and Jobs Act (the Tax Reform Act), the ability to rely on the performance-based compensation exception under Section 162(m) was eliminated, and the limitation on deductibility generally was expanded to include all NEOs. As a result of the Tax Reform Act, going forward and subject to certain grandfathered provisions, we will no longer be able to deduct any compensation paid to our NEOs in excess of $1 million. The Committee will be assessing the impact of the amendments to Section 162(m) to determine what adjustments to our executive compensation practices, if any, it considers appropriate.

COMPENSATION COMMITTEE REPORT //

The Compensation and Executive Development Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with Lincoln Electric s management and, based on this review and discussion, recommends that it be included in Lincoln Electric s Annual Report on Form 10-K for the year ended December 31, 2017 and this proxy statement.

By the Compensation & Executive Development Committee:

William E. MacDonald, III, Chair

David H. Gunning

Stephen G. Hanks

Kathryn Jo Lincoln

Hellene S. Runtagh

Table of Contents

EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION TABLES

Summary of 2017 Compensation Elements

	Purpose	Competitive Target	Financial Metrics Used[4]	When the 2017 Amount Was Set	The Period to Which the Amount Relates	Where Reporte in the SCT[1]
Base Pay	Rewards responsibility, experience and individual performance	Below Market		Beginning of 2017	2017	Salary colum
nual Bonus [EMIP]	Rewards strong annual financial results and individual performance	Above Market [base plus bonus]	EBITB and AOWC/Sales[4]	Beginning of 2017	2017 Performance	Non-Equity Incen Plan Compensat column
ock Options	Rewards the creation of shareholder value	At Market	Share Price Appreciation	Beginning of 2017	2017 Based Award	Option Awards co
RSUs	Rewards the creation of shareholder value and strong long-term financial results		Share Price Appreciation [RSUs granted prior to 2016 include Adjusted Net Income[4] Growth and ROIC[4] for accelerated vesting]	Beginning of 2017	2017 Based Award	Stock Awards col
ash-LTIP[2]	Rewards the creation of long-term growth and the efficient use of capital		Adjusted Net Income[4] Growth and ROIC[4]	End of 2014	2015 through 2017 Performance	Non-Equity Incen Plan Compensat column
rformance are LTIP[2]				Beginning of 2017	2017 through 2019	Stock Awards col

[PSUs]				Performance	
Benefits other than Pension	Includes 401[k] match, Restoration Plan contributions, insurance and standard expatriate benefits	At Market	Various	2017	All Other Compensation co
Pension Benefits[3]	Includes RAP and above-market earnings in the Top Hat Plan and Restoration Plan		Various	For RAP, shows changes in 2017. For above-market earnings, shows 2017 amounts	Change in Pens Value columi
Perks	Meets specific business needs includes financial planning, annual physical and certain club dues		Various	2017	All Other Compensation co

[1] Summary Compensation Table

[2] In 2016, the Performance Share LTIP replaced the Cash LTIP. Compensation associated with the Cash LTIP is disclosed in the Summary Compensation Table at the end of the cycle (when realized) and compensation associated with the Performance Share LTIP is disclosed at the beginning of the cycle [upon grant]. As such, with respect to 2016 and 2017, compensation associated with the Cash LTIP and the Performance Share LTIP are both disclosed within the 2017 Summary Compensation Table.

[3] The SERP, effective November 30, 2016, and the RAP, effective December 31, 2016, were amended to cease all future benefit accruals.

[4] Financial metrics used for compensation purposes are defined in Appendix A.

Table of Contents

2017 Summary Compensation Table

This table details total compensation paid to our NEOs for 2017 and, where required, 2016 and 2015. In 2016, beginning with the 2016 to 2018 performance cycle, the Performance Share LTIP replaced the Cash LTIP. Compensation associated with the Cash LTIP is disclosed in the Summary Compensation Table when realized (at the end of the cycle under the Non-Equity Incentive Plan Compensation column) and compensation associated with the Performance Share LTIP is disclosed when granted (at the beginning of the cycle under the Stock Awards column). With respect to 2016 and 2017, compensation associated with the Cash LTIP and the Performance Share LTIP are both disclosed in the 2017 Summary Compensation Table.

ame and rincipal Position	Year	Salary [$][1]	Stock Awards [$][2]	Option Awards [$][2]	Non-Equity Incentive Plan Compen- sation [$][3]	Change in Pension Value and Nonqual- ified Deferred Compensation Earnings [$][4]	All Other Compensation [$][5]	Total [$]
ristopher	2017	935,000[6]	2,408,020	1,199,989	2,928,906[6]	33,446	187,102	7,692,463
Mapes airman, sident Chief ecutive	2016	865,429	2,315,716	1,117,327	2,320,266	32,704	45,167	6,696,609
icer	2015	903,221	1,138,408	1,097,410	2,146,573	10,997	39,364	5,335,973
	2017	485,000[7]	1,053,455	275,030	952,004[7]	169,120	195,137	3,129,746

cent K.	2016	453,229	569,772	274,971	1,053,730	848,537	30,664	3,230,903
rella	2015	473,021	280,073	270,106	777,746	288,753	34,593	2,124,292
ecutive e sident, ef ancial icer								
asurer								
rge D. nkenship ecutive e sident, sident, ericas lding								