

Most countries have anti-corruption laws that prohibit private commercial bribery, as well as bribery of Government Officials, as defined below. These laws generally prohibit giving anything of value to a Government Official or representatives of a private, non-government related commercial entity (“Commercial Representative”) in order to influence official action or otherwise secure an improper business advantage.

This Policy sets forth the rules and guidelines established to comply with applicable anti-corruption laws. It applies to Lincoln Electric Holdings, Inc., its subsidiaries and their directors, officers and employees (the “Company”). The principles and prohibitions in the Policy apply to the Company’s Business Partners (defined below). Joint ventures (“JVs”) in which the Company holds a majority interest are expected to maintain an anti-corruption policy consistent with this Policy.

I. POLICY

This Policy prohibits offering, promising, giving or authorizing the giving of anything of value (including gifts, entertainment and travel), either directly or indirectly, to a Government Official or Commercial Representative in order to influence official action or otherwise obtain an improper business advantage. Government Officials are also subject to local anti-bribery, ethics laws and regulations which may limit the gifts, entertainment and other things of value they are permitted to accept. Employees of the Company must not take any action that facilitates violation of these laws or regulations.

Gifts, business entertainment, travel, lodging, meals, charitable contributions, educational or employment opportunities, and assumptions or forgiveness of debt or loan may be treated as improper and illegal under the applicable anti-corruption laws, as may any other thing of value, if offered or given for an improper business advantage.

The principles underlying this Policy must be followed regardless of the monetary value of the item proposed or intended to be given to a Government Official or Commercial Representative. Company employees may not use personal funds or a third party to circumvent the requirements of this Policy.

II. WHO IS A GOVERNMENT OFFICIAL?

The term “Government Official” is broadly defined and includes (a) officials and employees; and (b) any person acting in an official capacity for or on behalf of:

- o Any government, governmental agency or instrumentality, or any public international organization;
- o Any company that is controlled by a government or governmental agency (notwithstanding that the company may be publicly listed);
- o Any political party, party official or political candidate; and
- o Members of royal families

Any doubt as to whether an individual is a Government Official must be resolved by consulting the Chief Compliance Officer, the Director of Compliance or Compliance Counsel for guidance.

III. PRE-CLEARANCE REQUIREMENTS

Meals, entertainment, travel, lodging and gifts for Government Officials or Commercial Representatives may be permissible in certain circumstances if they are reasonable and appropriate in light of local law, custom and practice, not excessive in nature or frequency and not offered or given for an improper purpose. Expenditures, such as travel and lodging, directly related to the promotion or demonstration of the Company’s

III. PRE-CLEARANCE REQUIREMENTS (continued)

business products or services may also be acceptable if they are reasonable and not made to influence official action or secure an improper advantage. Under no circumstances shall any thing of value be offered to a Government Official or Commercial Representative if it could reasonably be perceived as an attempt to gain an unfair business advantage, influence discretionary action by the official or if it could adversely affect the Company's reputation.

Pre-clearance must be obtained for any proposed meals, entertainment, travel, lodging, gifts, contributions or other things of value for Government Officials as indicated below (unless a stated exception applies). Pre-clearance is not required for meals, entertainment, travel, lodging and gifts to Commercial Representatives, although the guidelines below still apply. Local policies may require other approvals. A Pre-Clearance Request Form (Gift or Expense) is attached to this policy as Exhibit A. All pre-clearance requests shall be submitted for approval in writing to the applicable Regional Finance Director or Regional President. Those individuals will seek approval from the Chief Compliance Officer, Director of Compliance or Compliance Counsel as appropriate (for example, for significant expenditures). The principles of this policy shall apply to such requests except to the extent modified in country-specific policies (such as in effect in India and China). Employees who do not obtain pre-clearance when required will not be reimbursed and are subject to disciplinary action. If local laws or regulations do not permit a Government Official to accept a meal, entertainment, travel, gift or facilitation payment, it may not be offered, regardless of value.

Meals

Pre-clearance is not required for meals with Government Officials provided the cost of the meal is below the equivalent of USD 50 per person and the meal is reasonable and customary in connection with the relevant business. It is expected that meals such as breakfast and lunch will be less than USD 25. All other meals require pre-clearance.

Business Entertainment and Travel

Any business entertainment and non-local travel and lodging provided to a Government Official must be pre-cleared. Entertainment includes concerts, cultural events and sporting events. To the extent that travel by a Government Official includes a stay longer than is necessary for business purposes, expenses related to the extended stay is treated as a gift of entertainment and travel and will thus not be reimbursed absent appropriate pre-clearance.

Gifts

All gifts to Government Officials require pre-clearance except those of nominal value such as inexpensive sports caps, pens and items with the Company's logo distributed at entertainment or promotional events. Gifts of cash or cash equivalents (such as gift cards) are never permitted.

Charitable Contributions

All requests for charitable contributions that might confer a personal benefit on or that are proposed by, or at the request of, a Government Official must be pre-cleared.

Employment

Providing employment to an individual recommended by a Government Official may be viewed as improper. It is therefore discouraged, and requires pre-clearance which will only be granted in circumstances in which the individual is qualified for the job and the individual would be hired absent the recommendation.

III. PRE-CLEARANCE REQUIREMENTS (continued)

Spouses and Families of Government Officials

Providing anything of value to a spouse or family member of a Government Official such as a meal, gift, entertainment, travel, or employment, may be viewed as improper. It is therefore discouraged, and requires pre-clearance, which will only be granted in exceptional circumstances.

Certain Payments

In rare situations, payments solicited by Government Officials in a small number of countries may be approved provided that no United Kingdom national is any way involved and the amount of the payment is nominal in relation to the official's salary and the payment is required by low level, non-U.S. officials for the performance of routine functions or services that they are obligated to perform as part of their governmental responsibilities, but which they may refuse to perform or delay performing unless compensated. Pre-clearance for such payments must be obtained from the Chief Compliance Officer, the Director of Compliance or the Corporate Controller or as provided in the country-specific Gift Policy, if applicable. A Pre-Clearance Request Form (Payments) is attached to this policy as Exhibit B.

IV. BUSINESS PARTNERS WHO MAY INTERACT WITH GOVERNMENT OFFICIALS

The Company may not use third parties, including any distributor, agent, consultant, joint venture partner, finder or other intermediary (collectively, "Business Partners") to do something indirectly that it may not do directly. Business Partners which have interaction with Government Officials and state-controlled entities present the most corruption-related risk. In order to mitigate this risk Company employees must follow the due diligence procedures, attached as Exhibit C, before retaining or conducting business with a Business Partner. The general due diligence procedure is to conduct a risk assessment of the Business Partner and perform the due diligence required based upon the level of risk identified by the risk assessment.

The due diligence procedure requires written agreements for many Business Partners, unless there is a compelling business reason not to do so and that exception has been approved by the Chief Compliance Officer, the Director of Compliance or the Corporate Controller. Agreements with Business Partners must include the anti-corruption representations and warranties set forth in standard forms approved by Compliance Counsel, based on the requirements set forth in the risk assessment.

A designated employee contact shall retain all documentation related to due diligence and engagement of the Business Partner, monitor the Business Partner's activities and compliance with the applicable anti-corruption laws and this policy and review compensation and invoices to ensure reasonableness and compliance with applicable regional policies. This policy shall be reviewed with Business Partners which are expected to interact with Government Officials.

Special attention must be paid to any investment, JV or other transaction that will result in the transfer of funds, directly or indirectly, to a Government Official or Commercial Representative or an entity owned or controlled by a government or a Government Official or Commercial Representative. Whenever a Government Official is directly or indirectly involved in a Company transaction, employees must avoid making promises or transferring money, stock or anything else of value, without first consulting the Chief Compliance Officer and obtaining approval for the recipient and transaction. Excluded from this requirement are transfers made in the normal course of business for standard commercial transactions.

V. ACCURATE BOOKS AND RECORDS

All Company employees must do their part to ensure that the Company's books and records accurately and fairly reflect, in reasonable detail, the Company's transactions in accordance with applicable laws. All payments, gifts or other things of value provided to Government Officials or Commercial Representatives shall be reflected in books and records in compliance with the Company's financial policies.

VI. VIOLATIONS OF THIS POLICY OR APPLICABLE LAW

Employees must promptly report violations or potential violations of this Policy or applicable laws or regulations to their supervisors, the Chief Compliance Officer, the Director of Compliance or to the Company's hotline. The Company's Code of Conduct expects that any employee who in good faith suspects a violation should report it.

Violations of the anti-corruption laws may result in criminal, civil and regulatory penalties against the Company and individual employees, and could negatively impact the Company's ability to conduct business in particular jurisdictions. The failure to comply with this Policy will also result in disciplinary action, including termination of employment.

Any employee who suspects a violation and reports it in good faith will not be subject to retaliation. Employees should contact the Chief Compliance Officer or the Director of Compliance if there are questions about this Policy.

October 23, 2012