

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2012
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>12/28/1936</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>THE LINCOLN ELECTRIC COMPANY</u> <u>22801 ST. CLAIR AVENUE</u> <u>CLEVELAND, OH 44117-2524</u>	2b Employer Identification Number (EIN) <u>34-0359955</u> 2c Sponsor's telephone number <u>216-481-8100</u> 2d Business code (see instructions) <u>335900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2013</u>	<u>GRETCHEN FARRELL</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 4786
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1788
b Retired or separated participants receiving benefits.....	6b	1590
c Other retired or separated participants entitled to future benefits.....	6c	496
d Subtotal. Add lines 6a , 6b , and 6c	6d	3854
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	311
f Total. Add lines 6d and 6e	6f	4165
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1G		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE LINCOLN ELECTRIC COMPANY</u>	D Employer Identification Number (EIN) <u>34-0359955</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>735489257</u>
b Actuarial value	2b <u>730789288</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>1817</u> <u>343021925</u>
b For terminated vested participants.....	3b <u>1130</u> <u>51600506</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>92727</u>
(2) Vested benefits.....	3c(2) <u>225052876</u>
(3) Total active	3c(3) <u>1839</u> <u>225145603</u>
d Total	3d <u>4786</u> <u>619768034</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>7.02 %</u>
6 Target normal cost.....	6 <u>12629912</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>09/04/2013</u>
	Signature of actuary	Date
<u>MICHAEL C. KIRCHNER</u>		<u>11-05383</u>
	Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>		<u>216-937-4000</u>
	Firm name	Telephone number (including area code)
<u>1001 LAKESIDE AVENUE, SUITE 1900</u> <u>CLEVELAND, OH 44114</u>		
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☒

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	19196519	39946758
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	19196519	4451251
9 Amount remaining (line 7 minus line 8)	0	35495507
10 Interest on line 9 using prior year's actual return of <u>4.69</u> %		1664739
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		44178958
b Interest on (a) using prior year's effective interest rate of <u>6.24</u> % except as otherwise provided (see instructions)		2390227
c Total available at beginning of current plan year to add to prefunding balance		46569185
d Portion of (c) to be added to prefunding balance		33986647
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	71146893

Part III Funding Percentages		
14 Funding target attainment percentage	14	106.43 %
15 Adjusted funding target attainment percentage	15	117.91 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.96 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/17/2012	276860		02/28/2013	10000000	
09/28/2012	3000000		03/15/2013	10000000	
10/31/2012	9000000		06/26/2013	25000000	
01/15/2013	10000000				
01/31/2013	10000000				
02/15/2013	10000000				
			Totals ►	18(b)	87276860
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	80564016
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0		0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	12629912	
b Excess assets, if applicable, but not greater than line 31a	31b	12629912	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	11823886	11823886
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	80564016	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	80564016	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE LINCOLN ELECTRIC COMPANY</u>	D Employer Identification Number (EIN) <u>34-0359955</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON DELAWARE, INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	130934	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 THE LINCOLN ELECTRIC COMPANY		D Employer Identification Number (EIN) 34-0359955

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	48000000	75215819
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	688554528	745352918
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	736554528	820568737

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	736554528	820568737
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	87492679	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		87492679
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		76387769
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		163880448

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	79554860	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		79554860
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	130934	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	180445	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		311379
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		79866239

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		84014209
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	X		26720361
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>THE LINCOLN ELECTRIC COMPANY RETIREMENT ANNUITY PROGRAM</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE LINCOLN ELECTRIC COMPANY</u>	D Employer Identification Number (EIN) <u>34-0359955</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-1561860</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>590</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
--	--	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 58% Investment-Grade Debt: 39% High-Yield Debt: 0% Real Estate: 0% Other: 3%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Report of Independent Auditors

The Plan Administrator
The Lincoln Electric Company Retirement Annuity Program

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Lincoln Electric Company Retirement Annuity Program, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2012 and 2011, and for the year ended December 31, 2012, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

October 11, 2013

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2012

See Appendix A for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Age of Retirement	Rates of Retirement	% Retiring	Weighted Ages
(A)	(B)	(C)	(A)*(C)
60	50%	50%	30.00
61	0%	0%	0.00
62	70%	35%	21.70
63	0%	0%	0.00
64	0%	0%	0.00
65	100%	15%	9.75
Retirement Age			61

Plan Name: The Lincoln Electric Company Retirement Annuity Program
 EIN / PN: 34-0359955 / 001
 Plan Sponsor: The Lincoln Electric Company
 Valuation Date: January 1, 2012

Schedule SB, Line 24
Change in Actuarial Assumption

The retirement assumption was changed from 100% retirement at the Normal Retirement Age of 60 to 50% retirement at age 60, 70% at age 62 for those that remain and 100% at age 65 for those that remain.

Plan Name:	The Lincoln Electric Company Retirement Annuity Program
EIN / PN:	34-0359955 / 001
Plan Sponsor:	The Lincoln Electric Company
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	J.W. Harris Company, Inc.
EIN/PN	31-0713399/002
Plan Name	Harris Calorific Division Retirement Plan
Valuation Date	January 1, 2012
Enrolled Actuary	Samantha S. Davis
Enrollment Number	11-07891

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012**This Form is Open to Public
Inspection**For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan The Lincoln Electric Company Retirement Annuity Program	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Lincoln Electric Company	D Employer Identification Number (EIN) 34-0359955
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>		
2 Assets:		
a Market value	2a	735,489,257
b Actuarial value	2b	730,789,288
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 1,817	343,021,925
b For terminated vested participants.....	3b 1,130	51,600,506
c For active participants:		
(1) Non-vested benefits	3c(1)	92,727
(2) Vested benefits	3c(2)	225,052,876
(3) Total active.....	3c(3) 1,839	225,145,603
d Total.....	3d 4,786	619,768,034
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	7.02
6 Target normal cost.....	6	12,629,912

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Michael C. Kirchner <i>MCK</i> Signature of actuary	September 4, 2013 Date
	Michael C. Kirchner Type or print name of actuary	11-05383 Most recent enrollment number
	Towers Watson Delaware Inc. Firm name	(216) 937-4000 Telephone number (including area code)
	1001 Lakeside Avenue, Suite 1900 Cleveland OH 44114 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	19,196,519	39,946,758
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	19,196,519	4,451,251
9 Amount remaining (line 7 minus line 8)	0	35,495,507
10 Interest on line 9 using prior year's actual return of <u>4.69</u> %		1,664,739
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		44,178,958
b Interest on (a) using prior year's effective interest rate of <u>6.24</u> % except as otherwise provided (see instructions)		2,390,227
c Total available at beginning of current plan year to add to prefunding balance		46,569,185
d Portion of (c) to be added to prefunding balance		33,986,647
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	71,146,893

Part III Funding Percentages

14 Funding target attainment percentage	14	106.43 %
15 Adjusted funding target attainment percentage	15	117.91 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.96 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/17/2012	276,860		02/28/2013	10,000,000	
09/28/2012	3,000,000		03/15/2013	10,000,000	
10/31/2012	9,000,000		06/26/2013	25,000,000	
01/15/2013	10,000,000				
01/31/2013	10,000,000				
02/15/2013	10,000,000				
Totals ►			18(b)	87,276,860	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	80,564,016

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		4
22 Weighted average retirement age	22		61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	12,629,912	
b Excess assets, if applicable, but not greater than line 31a	31b	12,629,912	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0		0
b Waiver amortization installment.....	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	11,823,886	11,823,886
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	80,564,016	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	80,564,016	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions and Methods

Plan sponsor

The Lincoln Electric Company

EIN/PN

34-0359955/001

Interest rates basis:

- MAP-21 corridors applied
- Applicable month September
- Yield curve basis 3-Segment Rates

Interest rates: Reflecting Corridors

- First segment rate 5.54%
- Second segment rate 6.85%
- Third segment rate 7.52%
- Effective interest rate 7.02%

Assumed cost of living adjustments

None.

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan Name: The Lincoln Electric Company Retirement Annuity Program
EIN / PN: 34-0359955 / 001
Plan Sponsor: The Lincoln Electric Company
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Plan-related expenses

The amount included this year for plan-related expenses is \$387,245.

Mortality

The prescribed mortality assumption under IRC Section 430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

Age	Percent Retiring During Year
60	50%
62	70%
65	100%

For those employees who are receiving benefits while still employed (i.e. Working Annuitants) it is assumed that they will work one more year.

Deferred vested participants are assumed to retire on their normal retirement date.

Disability

None.

Compensation increases

For purposes of determining the target normal cost, compensation is assumed to increase by 4.00%. For purposes of determining the additional funding target for maximum deductible contribution purposes, compensation is assumed to increase by 4.00% per year, compounded annually, after 2012.

Future increases in Social Security

Not applicable.

Future increases in maximum benefits and plan compensation limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Plan Name: The Lincoln Electric Company Retirement Annuity Program
EIN / PN: 34-0359955 / 001
Plan Sponsor: The Lincoln Electric Company
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Representative termination rates (not due to disability, retirement or mortality)

The rates at which participants are assumed to leave the company by age are shown below:

Attained Age	Annual Termination per 100 Employees
20	18.6
25	13.6
30	10.1
35	7.9
40	6.5
45	5.5
50	4.5
55 and over	0.0

Form of payment

It is assumed that all participants will elect a single life annuity.

Marriage

It is assumed that 85% of male and 50% of female participants are married. In addition, male spouses are assumed to be three years older than female spouses.

Employees

It was assumed that there will be no new or rehired employees.

Compensation for plan participants

Compensation assumed paid in the current year beginning on the valuation date equals the actual prior year's plan compensation as provided by the Company increased according to compensation increase assumption. The compensation for the two month period prior to the valuation was estimated by prorating the prior year compensation for the annual period ending October 31, 2011.

Plan Name: The Lincoln Electric Company Retirement Annuity Program
EIN / PN: 34-0359955 / 001
Plan Sponsor: The Lincoln Electric Company
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Asset method

The valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of receivable contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.57%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.57%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.82%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.82%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.3. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant data

Employee data were provided by the Company as of the valuation date and includes compensation for the annual period ending October 31 preceding the valuation date. Data on persons receiving benefits were supplied by the plan trustee.

Tax policy

The actuarial valuation performed for the plan year ending December 31, 2012 is used to determine the maximum deductible contribution for the tax year ending December 31, 2012.

Benefits not included in valuation

The residual death benefit has not been valued; it is considered immaterial.

Plan Name:	The Lincoln Electric Company Retirement Annuity Program
EIN / PN:	34-0359955 / 001
Plan Sponsor:	The Lincoln Electric Company
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Principal Plan Provisions

Plan sponsor

The Lincoln Electric Company

Plan

The Lincoln Electric Company Retirement Annuity Program

Effective date and most recent amendment

December 28, 1936 (most recently amended effective January 1, 2008.)

Plan year

The twelve-month period ending December 31st.

Eligibility

First day of the Plan Year following employment (provided 1,000 hours are attained in the first year of employment). Prior to April 1, 1990, employees at Lincoln Global, Inc. (formerly the Seal Seat Division) were not eligible for this plan. Certain other divisions of the Company are not eligible to participate in this Plan. Employees, other than employees of Lincoln Global, Inc., initially hired after January 1, 2006 are not eligible to participate.

Normal retirement benefit

Eligibility: Eligibility is age 60 or fifth anniversary of hire, if later.

Benefit: A monthly annuity for the life of the retiree equal to 1/12 times 2-1/2% of the aggregate base compensation during participation, plus supplemental benefits granted in 1968, 1975, 1978, 1980, 1981, 1985, 1991 and 1997. Effective July 16, 2006, the accrual rate is reduced to 1-1/4% for those participants who elected to participate in the FSP Plus program. The annual base compensation shall include base salary and/or wages plus overtime limited to the IRC Section 401(a)(17) maximum. The maximum normal annuity shall be subject to the IRC Section 415 Benefit Limitation.

Plan Name: The Lincoln Electric Company Retirement Annuity Program
EIN / PN: 34-0359955 / 001
Plan Sponsor: The Lincoln Electric Company
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Early retirement benefit

Eligibility: Eligibility is age 55 with 5 years of vesting service.

Benefit: The accrued pension as determined in the normal retirement section, actuarially reduced (based on the UP-1984 Mortality Table and a 6% interest rate) for early commencement prior to normal retirement. The portion of the benefit available starting at age 55 is 64%.

Disability benefit

Eligibility: Eligibility is any age with 10 years of vesting service, and disabled prior to March 1, 1997.

Benefit: The accrued pension as determined in the normal retirement section, without actuarial reduction for early commencement. Benefit is payable to age 60 at which time the Normal retirement benefit is available.

Vested benefits upon termination of service

Vesting: Eligibility is any age with 5 years of vesting service.

Termination Benefit: The same benefits as indicated in the early retirement section apply.

Death benefits for participants in active service

Eligibility: Eligibility is any age with 5 years of vesting service.

Benefit: A monthly pension, payable to the spouse upon the death of a vested participant before commencement, equal to the amount of the benefit which the eligible spouse would have received if the employee had commenced benefits under a 100% Joint and Survivor option. Benefits are reduced for both Early Commencement and the Joint & Survivor Option. Effective August 1, 1994 employees with a vested benefit receive a minimum preretirement death benefit of \$20,000, or 100 times monthly accrued benefit, if smaller.

FSP benefits

Effective for accruals after November 1, 1997, certain employees elected to waive the actuarial increase on future accruals in exchange for an annual 2.00% contribution into the 401(k) plan. If electing the 2.00% contribution, the benefits accruing after November 1, 1997 under this plan are called FSP benefits and are not available for in-service payments or actuarial increase.

Plan Name: The Lincoln Electric Company Retirement Annuity Program
EIN / PN: 34-0359955 / 001
Plan Sponsor: The Lincoln Electric Company
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

FSP plus benefits

Effective for accruals after July 15, 2006, certain employees elected to reduce their future accrual rate by one-half and waive the actuarial increase on future accruals in exchange for an annual service based defined contribution into the 401(k) plan. If electing the service based defined contribution, the benefits accruing after July 15, 2006 under this plan are called FSP Plus benefits and are not available for in-service payments or actuarial increase.

Postponed commencement

Commencement of benefits (except FSP and FSP Plus benefits) may be postponed with an actuarial increase beyond age 60, but not later than age 65 or 2 months after termination, if earlier. Accruals after age 60 will normally commence the January 1st following the compensation period of accrual. Non-FSP (Plus) accruals after age 60 are also subject to actuarial increase. Alternatively, non-FSP (Plus) benefits may be paid during employment after Normal Retirement.

Postretirement death benefit

For postponed commencements, there is a residual death benefit equal to the benefits not paid due to delayed commencement less the benefits received prior to death.

Normal form of payment

The Normal, Early and Vested Terminated benefits will be payable to the participant for his/her lifetime; however, if such participant is married on his/her benefit starting date, the benefit will be payable under the actuarially equivalent 100% Joint & Survivor form.

Optional forms of retirement income in lieu of normal form

Benefits are available under actuarially equivalent optional forms. These include 50% and 100% Joint and Survivor options and 5, 10, 15 and 20 year certain and continuous options.

Changes in plan provisions since last actuarial valuation

None.

Plan Name: The Lincoln Electric Company Retirement Annuity Program
EIN / PN: 34-0359955 / 001
Plan Sponsor: The Lincoln Electric Company
Valuation Date: January 1, 2012

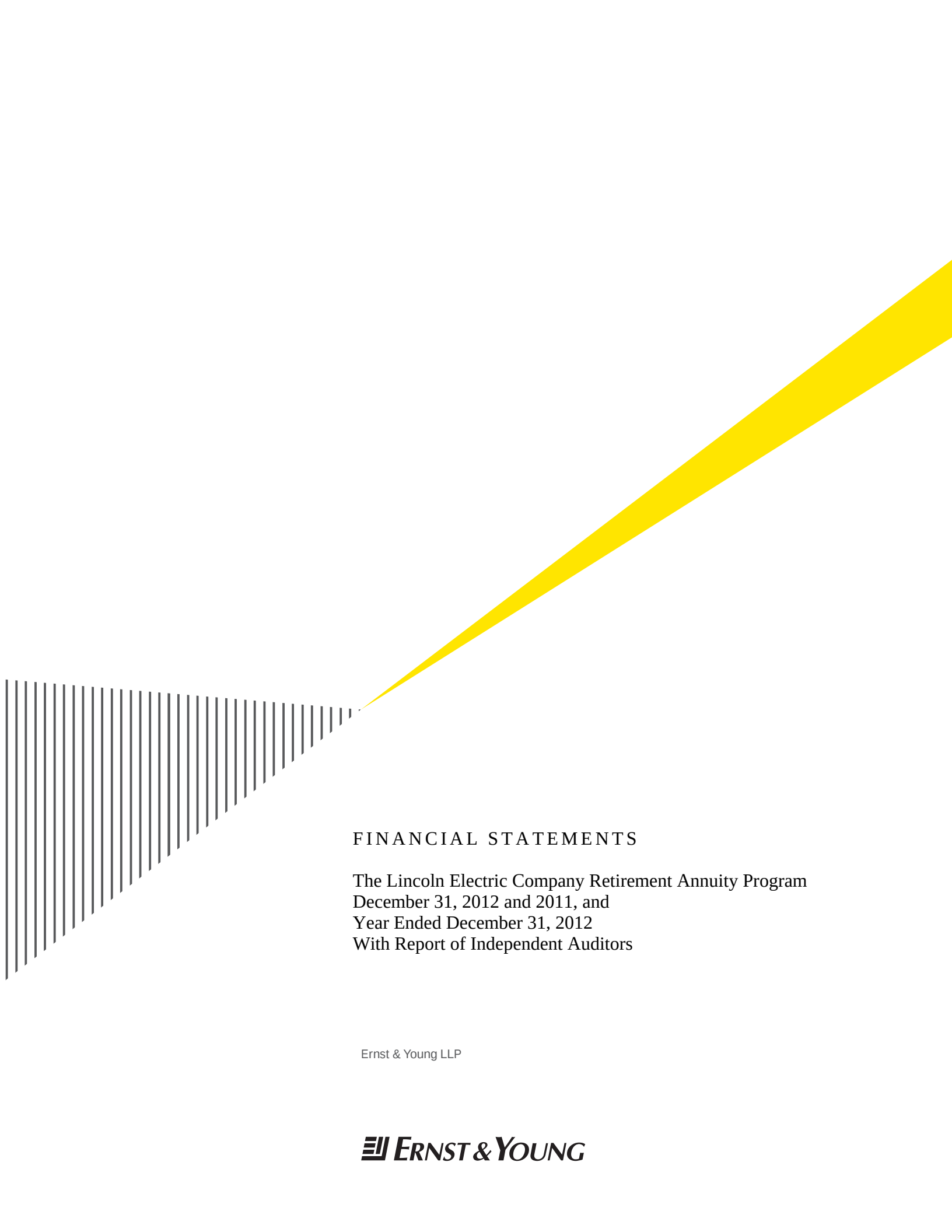
SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Participant Data as of January 1, 2012

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		2		0		0		0		0		0		0		0	
25 - 29	0		0		41	46,523	0		0		0		0		0		0		0	
30 - 34	0		0		80	51,000	36	54,949	3		0		0		0		0		0	
35 - 39	0		0		69	52,588	79	55,973	79	55,990	0		0		0		0		0	
40 - 44	0		0		63	51,418	63	58,089	145	57,432	57	60,554	0		0		0		0	
45 - 49	0		0		43	54,449	41	69,814	86	51,978	139	63,727	17		9		0		0	
50 - 54	0		1		41	51,606	31	59,592	46	56,709	75	56,071	17		111	60,154	8		0	
55 - 59	0		0		11		20	53,219	30	64,397	27	45,727	11		95	68,877	124	54,799	5	
60 - 64	0		0		8		20	65,987	11		6		1		18		44	62,961	18	71,740
65 - 69	0		0		4		4		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: The Lincoln Electric Company Retirement Annuity Program
 EIN / PN: 34-0359955 / 001
 Plan Sponsor: The Lincoln Electric Company
 Valuation Date: January 1, 2012

A decorative graphic on the left side of the page. It consists of a series of vertical lines of varying heights that form a wedge shape pointing to the right. A bright yellow diagonal band starts from the tip of this wedge and extends towards the top right corner of the page.

FINANCIAL STATEMENTS

The Lincoln Electric Company Retirement Annuity Program
December 31, 2012 and 2011, and
Year Ended December 31, 2012
With Report of Independent Auditors

Ernst & Young LLP

FINANCIAL STATEMENTS

The Lincoln Electric Company Retirement Annuity Program
December 31, 2012 and 2011, and
Year Ended December 31, 2012
With Report of Independent Auditors

Plan Sponsor and Administrator

The Lincoln Electric Company
22801 St. Clair Avenue
Cleveland, Ohio 44117
(216) 481-8100

Plan Number: 001

Employer Identification Number: 34-0359955

The Lincoln Electric Company
Retirement Annuity Program

Financial Statements

December 31, 2012 and 2011, and
Year Ended December 31, 2012

Table of Contents

Report of Independent Auditors	1
Financial Statements	
Statements of Net Assets Available for Benefits.....	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements.....	5

The Lincoln Electric Company
Retirement Annuity Program

Statements of Net Assets Available for Benefits

	December 31,	
	2012	2011
Assets		
Investments, at fair value:		
Interest in The Lincoln Electric Company		
Master Retirement Trust	\$ 745,352,918	\$ 688,554,528
Contributions receivable	75,215,819	48,000,000
Net assets available for benefits	<u>\$ 820,568,737</u>	<u>\$ 736,554,528</u>

See notes to financial statements

The Lincoln Electric Company
Retirement Annuity Program

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2012

Additions

Sponsor contributions	\$ 87,492,679
Net investment income from the Master Trust	<u>76,387,769</u>
Total additions	163,880,448

Deductions

Benefits paid to participants	79,554,860
Administrative expenses	<u>311,379</u>
Total deductions	79,866,239

Net increase

84,014,209

Net assets available for benefits at beginning of year	<u>736,554,528</u>
Net assets available for benefits at end of year	<u><u>\$ 820,568,737</u></u>

See notes to financial statements

The Lincoln Electric Company Retirement Annuity Program

Notes to Financial Statements

Note 1 – Description of the Plan

The following brief description of The Lincoln Electric Company Retirement Annuity Program (as amended, “the Plan”) is provided for general information only. Information about the Plan Agreement, the vesting and benefit provisions, and the Pension Benefit Guaranty Corporation’s (“PBGC”) benefit guarantee is contained in the Summary Plan Description. Participants should refer to the Summary Plan Description for more complete information. Copies of the Summary Plan Description are available from The Lincoln Electric Company (“the Company”), which is the Plan administrator and Plan sponsor.

The Plan is a noncontributory defined benefit plan which covers all U.S. employees of the business units whose participation in the Plan has been specifically adopted by the Board of Directors of Lincoln Electric Holdings, Inc. and who meet certain requirements. Plan eligibility is limited to U.S. employees hired prior to January 1, 2006. The Plan provides benefits based on the employee’s length of service and compensation.

Effective July 1, 2012, the Plan was amended and restated to allow participants, including those with deferred vested pension benefits, additional payment options. The additional options include the ability to elect to receive payments through a Lump Sum Option or a Five-Year Payment Option. Under the Lump Sum Option, participants would receive a single lump sum payment that is actuarially equivalent to the accrued pension payable to the participant in the form of a single life annuity at the participants normal retirement date. The Five-Year Payment Option would allow participants to receive five equal payments that in aggregate are actuarially equivalent to the accrued pension payable to the participant in the form of a single life annuity at the participant’s normal retirement date.

The Company contributes such amounts as deemed necessary on an actuarial basis to provide sufficient assets to meet the benefits to be paid to Plan participants. The Company’s present intention is to make contributions in amounts sufficient to annually fund the minimum requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan has met the minimum funding requirements of ERISA. The contributions of the Company are made in amounts sufficient to fund the Plan’s current service costs on a current basis and to fund past service costs, if any, over various amortization periods ranging from five to 30 years as permissible by ERISA. The Company has the right, under the Plan, to discontinue such contributions at any time.

While the Company has not expressed any intent to terminate the Plan, it is free to do so at any time subject to the provisions of ERISA. However, should the Plan terminate at some future time, net assets generally will not be available on a pro rata basis to provide participants’ benefits. Whether a particular participant’s accumulated plan benefit will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time.

The Lincoln Electric Company Retirement Annuity Program

Notes to Financial Statements (continued)

Some benefits may be fully or partially provided for by the then existing assets and the PBGC guarantee while other benefits may not be provided for at all.

Administrative Expenses

Administrative expenses incurred for actuarial, legal, accounting and other professional fees are paid directly out of Plan assets, unless otherwise paid by the Company on behalf of the Plan.

Note 2 – Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan and The Lincoln Electric Company Master Retirement Trust (“the Master Trust”) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“GAAP”).

Valuation of Investments

The assets of the Plan are held in the Master Trust with The Northern Trust Company (“the Trustee”). The Plan’s interest in the Master Trust is recorded at fair value which is based on values as determined by the Trustee in accordance with the trust agreement. The Master Trust provides a medium for investing the pooled assets of the Plan and the Harris Calorific Division Retirement Plan. Investment income, gains and losses, and trustee and management expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. The fair values of the common trusts, 103-12 investments and short-term investment funds are valued at their respective net asset values as reported by the funds. The fair values of certain participation units owned by the Master Trust in the insurance company nonpooled separate account are based on quoted redemption values on the last business day of the plan year. Investments in the insurance company nonpooled separate account whose fair values were not readily determinable on an open market were determined by the investment manager using alternative valuation techniques including the discounted value of estimated future cash flows. The private equity funds are comprised of unrestricted and restricted publicly traded securities and privately held securities. Unrestricted securities are valued at the closing market price on the reporting date. Restricted securities may be valued at a discount from such closing public market price, depending on facts and circumstances. Privately held securities are valued at fair value as determined by the fund directors and general partners. The Lincoln Electric Pension Investment Committee (“the Committee”) is responsible for reviewing

The Lincoln Electric Company

Retirement Annuity Program

Notes to Financial Statements (continued)

information provided by the investment custodians and issuers used to determine the fair value of the Plan's investments. For instruments categorized within Level 3 of the fair value hierarchy the Committee reviews documentation provided by fund managers, including audited financial statements for reasonableness.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 4) are those estimated future periodic payments that are attributable, under the Plan's provisions, to services rendered by employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries and present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on various plan benefit formulas, as defined in the Plan document, depending upon the date that retirement, death or termination of employment occurred. The accumulated plan benefits for active employees are based on current formulas as defined in the Plan document. Benefits payable under all types of circumstances (i.e., retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

Use of Estimates

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

Reclassification

Certain reclassifications have been made to prior year financial statements to conform to current year classifications.

Note 3 – New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, *"Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS's."* ASU 2011-04 amends Accounting Standards Codification Topic 820, resulting in common fair value measurement and disclosure requirements in GAAP and International Financial Reporting Standards ("IFRS"). Consequently, the amendments change the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. These amendments are to be applied prospectively and are effective for periods beginning after December 15, 2011. ASU 2011-04 was adopted by the Company on January 1, 2012 and did not have an impact on the Company's financial statements.

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

Note 4 – Accumulated Plan Benefits

The Plan's actuary, Towers Watson Delaware Inc., estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits as of December 31 is as follows:

	<u>2012</u>	<u>2011</u>
Vested benefits:		
Participants currently receiving payments	\$ 323,427,076	\$ 315,167,076
Other participants	264,575,499	248,033,771
Total vested benefits	<u>588,002,575</u>	<u>563,200,847</u>
Nonvested benefits	116,488	125,306
Total actuarial present value of accumulated plan benefits	<u><u>\$ 588,119,063</u></u>	<u><u>\$ 563,326,153</u></u>

The changes in the actuarial present value of accumulated plan benefits during the year ended December 31, 2012 are as follows:

	<u>Year Ended</u> <u>December 31, 2012</u>
Balance at beginning of year	\$ 563,326,153
Increase (decrease) during the year attributable to:	
Decrease in the discount period	41,690,490
Actuarial losses	14,836,024
Benefits accumulated	10,944,737
Benefits paid to participants	(79,554,860)
Assumption changes	16,120,186
Plan amendments	20,756,333
Balance at end of year	<u><u>\$ 588,119,063</u></u>

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

Significant assumptions underlying the actuarial computations are:

Assumed rate of return	7.5% per annum
Actuarial method	The Projected Unit Credit Cost Method
Mortality basis	RP-2000 Mortality Table with Blue Collar Adjustment projected 20 years using Scale AA
Retirement ages	Assumes 50% at age 60; 70% at age 62; and 100% at age 65. For those employees continuing to work after normal retirement age, it is assumed those employees will work for one more year.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Note 5 – Investments

All investment information disclosed in the accompanying financial statements, including the value of interest in the Master Trust held at December 31, 2012 and 2011, and net investment income from the Master Trust for the year ended December 31, 2012, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee.

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

Information supplied by the Plan administrator and certified as complete and accurate by the Trustee, which has not been audited by independent auditors, is summarized below:

***Statements of Net Assets Available to Participating Plans -
The Lincoln Electric Company Master Retirement Trust***

	December 31,	
	2012	2011
Investments, at fair value:		
Corporate stock	\$ 108,155,395	\$ 92,960,755
Cash and cash equivalents	5,170,784	1,582,448
Insurance company nonpooled separate account	411,683	24,309,237
Common trusts and 103-12 investment	615,074,513	555,219,364
Private equity funds	27,083,277	17,796,591
Total investments	755,895,652	691,868,395
Unsettled trades and other	(392,194)	4,945,745
Net assets available to participating plans	<u>\$ 755,503,458</u>	<u>\$ 696,814,140</u>
Plan's interest	\$ 745,352,918	\$ 688,554,528
Percentage of ownership	98.66%	98.81%

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

***Statement of Changes in Net Assets Available to Participating Plans -
The Lincoln Electric Company Master Retirement Trust***

	Year Ended December 31, 2012
Net assets available to participating plans at beginning of year	\$ 696,814,140
Additions:	
Interest income	240,285
Sponsor contributions	62,276,860
Dividend income	3,518,065
Total additions	<u>66,035,210</u>
Deductions:	
Investment advisory and management fees	2,733,236
Benefits paid to participants	80,643,309
Total deductions	<u>83,376,545</u>
Net realized and unrealized increase in aggregate fair value of investments	<u>76,030,653</u>
Net assets available to participating plans at end of year	<u><u>\$ 755,503,458</u></u>

	Year Ended December 31, 2012
Net realized and unrealized increase in aggregate fair value of investments:	
Corporate stock	\$ 5,517,578
Insurance company nonpooled separate account	869,660
Common trusts and 103-12 investment	67,675,814
Private equity funds	1,967,601
	<u><u>\$ 76,030,653</u></u>

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

Note 6 – Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (“IRS”) dated December 21, 2012 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (“the Code”), and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt. As such, there are no uncertain tax positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 7 – Transactions with Parties-in-Interest

During 2012, certain fees were paid by the Plan for actuarial, accounting and other services rendered by parties-in-interest.

Note 8 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Note 9 – Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The following hierarchy is used to classify the inputs used to measure fair value:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
---------	---

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

The following tables set forth by level within the fair value hierarchy the Master Trust's assets at fair value as of December 31, 2012 and 2011:

Master Trust Assets at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
Corporate stocks (1)	\$ 108,155,395	\$ -	\$ -	\$ 108,155,395
Cash and cash equivalents	5,170,784	-	-	5,170,784
Insurance company nonpooled separate accounts (2):				
Corporate and other obligations	-	411,683	-	411,683
Common trusts and 103-12 investments (3):				
Cash and cash equivalents	-	5,127,855	-	5,127,855
Common trusts and 103-12 investments	-	609,946,658	-	609,946,658
Private equity funds	-	-	27,083,277	27,083,277
Total	\$ 113,326,179	\$ 615,486,196	\$ 27,083,277	\$ 755,895,652

Master Trust Assets at Fair Value as of December 31, 2011				
	Level 1	Level 2	Level 3	Total
Corporate stocks (1)	\$ 92,960,755	\$ -	\$ -	\$ 92,960,755
Cash and cash equivalents	1,582,448	-	-	1,582,448
Insurance company nonpooled separate accounts (2):				
Cash and cash equivalents	-	15,371,128	-	15,371,128
Corporate and other obligations	-	8,287,959	650,150	8,938,109
Common trusts and 103-12 investments (3):				
Cash and cash equivalents	-	373,349	-	373,349
Common trusts and 103-12 investments	-	554,846,015	-	554,846,015
Private equity funds	-	-	17,796,591	17,796,591
Total	\$ 94,543,203	\$ 578,878,451	\$ 18,446,741	\$ 691,868,395

(1) This investment category includes publicly traded equity investments directly held by the Master Trust.

(2) The insurance company nonpooled separate accounts are focused on capital preservation and invest in fixed-income securities and money market instruments.

(3) Common trusts and the 103-12 investment are comprised of a number of investment funds that invest in a diverse portfolio of assets including equity securities, corporate and governmental bonds, equity and credit indexes and money markets.

The Lincoln Electric Company
Retirement Annuity Program

Notes to Financial Statements (continued)

The table below sets forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the year ended December 31, 2012:

	Insurance Company Nonpooled Separate Account	Private Equity Funds	Total
Balance at beginning of year	\$ 650,150	\$ 17,796,591	\$ 18,446,741
Purchases	-	8,963,304	8,963,304
Sales	-	(1,644,219)	(1,644,219)
Settlements	(650,150)	-	(650,150)
Realized and unrealized gains (losses)	-	1,967,601	1,967,601
Balance at end of year	<u>\$ -</u>	<u>\$ 27,083,277</u>	<u>\$ 27,083,277</u>
The amount of total gains (losses) during the period attributable to the change in unrealized gains (losses) relating to Level 3 net assets still held at the reporting date	<u>\$ -</u>	<u>\$ 1,135,494</u>	<u>\$ 1,135,494</u>

The Lincoln Electric Company Retirement Annuity Program

Notes to Financial Statements (continued)

The following table sets forth a summary of the Master Trust's investments for which fair value is estimated using the net asset value per share as of December 31, 2012:

Investment	Fair Value Estimated Using Net Asset Value Per Share				
	Fair Value	Unfunded Commitment	Redemption Frequency	Remaining Life	Redemption Notice Period
Common trusts:					
Northern Trust Collective Daily S&P 500 Equity Index Fund - Lending (1)	\$ 222,418,387	\$ -	Daily	N/A	1 day
Aberdeen Core Plus Alpha 30YR Maturity Portfolio (2)	153,298,792	-	Daily	N/A	None
AllianceBernstein International All-Country Blend Series (3)	19,987,954	-	Weekly	N/A	10 days
BlackRock Long Term Credit Bond Index (4)	123,927,248	-	Daily	N/A	None
103-12 investment (5)	90,314,277	-	Monthly	N/A	10 days
Private equity funds (6)	27,083,277	21,486,160	N/A	7-10 years	N/A
	<u>\$ 637,029,935</u>	<u>\$ 21,486,160</u>			

- (1) Fund strategies seek to provide investment results that approximate the overall performance of the common stocks included in the Standard and Poor's 500 Composite Stock Price Index.
- (2) Fund strategies seek to outperform the Barclays Capital 30 year U.S. Dollar Interest Rate Swap Index net of fees over a full market cycle (three to five years).
- (3) Fund strategies seek to achieve long-term capital growth through investment in equity securities of non-U.S. companies.
- (4) Fund strategies seek to track the performance of its benchmark, the Barclays Capital Long Credit Bond Index.
- (5) Fund strategies seek to achieve long-term capital appreciation and a return in excess of that achieved by the Morgan Stanley Capital International Europe Australasia Far East Index – Total Return.
- (6) Consists of four funds seeking capital appreciation by investing in private equity investment partnerships and venture capital companies. Redemption of investments is not permitted during the life of the funds. Distributions of investments are received through liquidation of the funds' underlying assets.

Note 10 – Subsequent Events

Subsequent events were evaluated through the issuance date of the Plan's financial statements on October 11, 2013.

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 167,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm located in the United States.

