SNAP-ON Inc
Form DEF 14A
March 11, 2019
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

SNAP-ON INCORPORATED

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

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

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

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

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

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of 2019 Annual Meeting of Shareholders

and Proxy Statement

Table of Contents

HELP US REDUCE COSTS

If you receive more than one set of proxy materials, it means your shares are held in more than one account. You should vote the shares on all of your proxy cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy materials in the future. To consolidate your accounts, please contact our transfer agent, Computershare Trust Company, N.A., toll-free at 1-800-446-2617, or as otherwise provided in our annual report.

ADMISSION TO THE ANNUAL MEETING

All shareholders of record as of the close of business on February 25, 2019, may attend the Annual Meeting. Seating, however, is limited and will be on a first arrival basis.

To attend the Annual Meeting, please follow these instructions:

- Bring proof of ownership of Snap-on stock and a form of identification; or
- If a broker or other nominee holds your shares, bring proof of ownership of Snap-on stock through such broker or nominee and a form of identification.

HOW TO VOTE

While we offer four methods for you to vote your shares at the Annual Meeting, we encourage you to vote through the internet as it is the most cost-effective method. We also recommend that you vote as soon as possible, even if you are planning to attend the Annual Meeting, so that the vote count will not be delayed. Both the internet and the telephone provide convenient, cost-effective alternatives to returning your proxy card by mail. If you choose to vote your shares through the internet or by telephone, there is no need for you to mail back your proxy card.

You may (i) vote in person at the Annual Meeting or (ii) authorize the persons named as proxies on the proxy card to vote your shares by returning the enclosed proxy card through the internet, by telephone or by mail.

To vote over the internet:

Go to www.investorvote.com/sna. Have your proxy card available when you access the website. You will need the control number from your proxy card to vote.

To vote by telephone:

Call **1-800-652-VOTE** (1-800-652-8683) 24 hours a day, 7 days a week. Have your proxy card available when you make the call. You will need the control number from your proxy card to vote.

To vote by mail:

Complete, sign and return the proxy card to the address indicated on the proxy card.

If shares are not registered in your name, then you vote by giving instructions to the firm that holds your shares rather than using any of the methods discussed above. Please check the voting form of the firm that holds your shares to see if it offers internet or telephone voting procedures.

Table of Contents

2801 80th Street

Kenosha, Wisconsin 53143

Notice of the 2019 Annual Meeting of Shareholders

March 11, 2019

Dear Shareholder:

Snap-on Incorporated will hold its 2019 Annual Meeting of Shareholders on Thursday, April 25, 2019, at 10:00 a.m. Central Time, at the IdeaForge located within the Snap-on Innovation Works at the Company s headquarters, 2801 80th Street, Kenosha, Wisconsin 53143. This year s meeting is being held for the following purposes:

1. to elect 10 directors to each serve a one-year term ending at the 2020 Annual Meeting;

2. to ratify the Audit Committee s selection of Deloitte & Touche LLP as the Company s independent registered public accounting firm for fiscal 2019;

3. to hold an advisory vote to approve the compensation of the Company s named executive officers, as disclosed in Compensation Discussion and Analysis and Executive Compensation Information in the Proxy Statement; and

4. to transact any other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

In addition to the formal business, there will be a short presentation on Snap-on s performance.

Only shareholders who had shares registered in their names as of the close of business on February 25, 2019, will be able to vote at the Annual Meeting. If you are a shareholder and plan to attend the Annual Meeting in person, please refer to the section of the Proxy Statement titled Commonly Asked Questions and Answers about the Annual Meeting for information about attendance requirements.

If you have any questions or comments, please direct them to Snap-on Incorporated, Investor Relations, 2801 80th Street, Kenosha, Wisconsin 53143. Please also contact Investor Relations if you would like directions to the Annual Meeting. If you prefer, you may e-mail questions or comments to InvestorRelations@snapon.com. We always appreciate your interest in Snap-on and thank you for your continued support.

Your vote is important. Thank you for voting.

Sincerely,

Richard T. Miller

Vice President, General Counsel and Secretary

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 25, 2019. The proxy statement and annual report to security holders are available under the Investors section of the Company s website at www.snapon.com.

The Board of Directors recommends the following votes:

FOR each of the Board s nominees for election as directors;

FOR the ratification of the Audit Committee s selection of Deloitte & Touche LLP as the Company s independent registered public accounting firm for fiscal 2019; and

FOR approval of the compensation of the Company s named executive officers.

To vote in person at the Annual Meeting, you will need to request a ballot to vote your shares. If you vote by proxy, either by internet, telephone or mail, and later find that you will be present at the Annual Meeting, or for any other reason desire to revoke your proxy, you may do so at any time before it is voted.

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

Table of Contents

COMMONLY ASKED QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Q: WHEN WILL PROXY MATERIALS FIRST BE MAILED TO SHAREHOLDERS?

A: Snap-on Incorporated (Snap-on, we or the Company) expects to begin mailing proxy materials (including this Proxy Statement) to shareholders on or about March 11, 2019. Proxy materials are also being made available to shareholders by internet posting on or about March 11, 2019.

Q: WHAT AM I VOTING ON?

A: At the 2019 Annual Meeting you will be voting on the following proposals:

1. The election of 10 directors to each serve a one-year term ending at the 2020 Annual Meeting. This year s Board nominees are:

David C. Adams	Henry W. Knueppel
Karen L. Daniel	W. Dudley Lehman
Ruth Ann M. Gillis	Nicholas T. Pinchuk
James P. Holden	Gregg M. Sherrill
Nathan J. Jones	Donald J. Stebbins

2. A proposal to ratify the Audit Committee s selection of Deloitte & Touche LLP (D&T) as the Company s independent registered public accounting firm for fiscal 2019.

3. An advisory proposal to approve the compensation of the Company s named executive officers, as disclosed in Compensation Discussion and Analysis and Executive Compensation Information herein.

Q: WHAT ARE THE BOARD S VOTING RECOMMENDATIONS?

A: The Board of Directors is soliciting this proxy and recommends the following votes:

FOR each of the Board s nominees for election as directors;

FOR the ratification of the Audit Committee s selection of D&T as the Company s independent registered public accounting firm for fiscal 2019; and

FOR approval of the compensation of the Company s named executive officers.

Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

A: To conduct the Annual Meeting, more than 50% of the shares entitled to vote must be present in person or by proxy. This is referred to as a quorum. Abstentions and shares that are the subject of broker non-votes will be counted for the purpose of determining whether a quorum exists; shares represented at the meeting for any purpose are counted in the quorum for all matters to be considered at the meeting. All of the voting requirements below assume that a quorum is present.

Directors are elected by a majority of the votes cast in person or by proxy at the meeting and entitled to vote on the election of directors. Abstentions and broker non-votes are not considered as votes cast with respect to each director-nominee and, therefore, will have no impact on the election of directors.

An affirmative vote of a majority of the shares represented at the meeting is required for the ratification of the Audit Committee s selection of D&T as the Company s independent registered public accounting

1

firm for fiscal 2019. Abstentions will act as votes against this proposal. Since brokers have discretionary authority to vote on this proposal, we do not anticipate any broker non-votes with regard to this matter.

An affirmative vote of a majority of the shares represented at the meeting is also required to approve the compensation of the Company s named executive officers on an advisory basis. Abstentions will act as votes against this proposal; however, broker non-votes will have no effect on this advisory vote.

Q: WHAT IF I DO NOT VOTE?

A: The effect of not voting will depend on how your share ownership is registered. If you own shares as a registered holder and you do not vote, then your unvoted shares will not be represented at the meeting and will not count toward the quorum requirement. If a quorum is obtained, then your unvoted shares will not affect whether a proposal is approved or rejected.

If you are a shareholder whose shares are not registered in your name and you do not vote, then your bank, broker or other holder of record may still represent your shares at the meeting for purposes of obtaining a quorum. In the absence of your voting instructions, your bank, broker or other holder of record may not be able to vote your shares in its discretion depending on the particular proposal before the meeting. Your broker may not vote your shares in its discretion in the election of directors; therefore, you must vote your shares if you want them to be counted in the election of directors. In addition, your broker is not permitted to vote your shares in its discretion regarding matters related to executive compensation, including the advisory vote to approve named executive officer compensation. However, your broker may vote your shares in its discretion on routine matters such as the ratification of the Company s independent registered public accounting firm.

Q: WHO MAY VOTE?

A: You may vote at the Annual Meeting if you were a shareholder of record as of the close of business on February 25, 2019 (the Record Date). As of the Record Date, Snap-on had 55,585,437 shares of common stock outstanding. Each outstanding share of common stock is entitled to one vote on each proposal.

Q: HOW DO I VOTE?

A: While we offer four methods for you to vote your shares at the Annual Meeting, we encourage you to vote through the internet as it is the most cost-effective method. We also recommend that you vote as soon as possible, even if you are planning to attend the Annual Meeting, so that the vote count will not be delayed. Both the internet and the telephone provide convenient, cost-effective alternatives to returning your proxy card by mail. If you choose to vote your shares through the internet or by telephone, there is no need for you to mail back your proxy card.

You may (i) vote in person at the Annual Meeting or (ii) authorize the persons named as proxies on the proxy card, Messrs. Pinchuk and Miller, to vote your shares by returning the enclosed proxy card through the internet, by telephone or by mail.

To vote over the internet:

Go to www.investorvote.com/sna. Have your proxy card available when you access the website. You will need the control number from your proxy card to vote.

To vote by telephone:

Call **1-800-652-VOTE** (1-800-652-8683) 24 hours a day, 7 days a week. Have your proxy card available when you make the call. You will need the control number from your proxy card to vote.

2

Table of Contents

To vote by mail:

Complete, sign and return the proxy card to the address indicated on the proxy card.

If shares are not registered in your name, then you vote by giving instructions to the firm that holds your shares rather than using any of the methods discussed above. Please check the voting form of the firm that holds your shares to see if it offers internet or telephone voting procedures.

Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD?

A: It means your shares are held in more than one account. You should vote the shares on all of your proxy cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy materials in the future. To consolidate your accounts, please contact our transfer agent, Computershare Trust Company, N.A. (Computershare), toll-free at 1-800-446-2617, or as otherwise provided in our annual report.

Q: WHO WILL COUNT THE VOTE?

A: Computershare, our transfer agent, will use an automated system to tabulate the votes. Its representatives will also serve as the election inspectors.

Q: WHO CAN ATTEND THE ANNUAL MEETING?

A: All shareholders of record as of the close of business on the Record Date may attend the Annual Meeting. Seating, however, is limited and will be on a first arrival basis.

To attend the Annual Meeting, please follow these instructions:

- Bring proof of ownership of Snap-on stock and a form of identification; or

- If a broker or other nominee holds your shares, bring proof of ownership of Snap-on stock through such broker or nominee and a form of identification.

Q: CAN I CHANGE MY VOTE AFTER I RETURN MY PROXY CARD?

A: Yes. Even after you have submitted your proxy, you can revoke your proxy or change your vote at any time before the proxy is exercised by appointing a new proxy or by providing written notice to the Corporate Secretary and voting in person at the Annual Meeting. Presence at the Annual Meeting of a shareholder who has appointed a proxy does not in itself revoke a proxy.

Street name holders who wish to change their proxy prior to the voting thereof should contact the broker, bank or other holder of record to determine whether, and if so how, such proxy can be revoked.

Q: MAY I VOTE AT THE ANNUAL MEETING?

A: If you complete a proxy card or vote through the internet or by telephone, you may still vote in person at the Annual Meeting. To vote at the meeting, please give written notice that you would like to revoke your original proxy to one of the following:

- the Corporate Secretary, in advance of the Annual Meeting; or
- the authorized representatives at the Annual Meeting.

3

Table of Contents

Street name holders who wish to vote in person at the meeting will not be permitted to vote in person at the meeting unless they first obtain a proxy issued in their name from the bank, broker or other holder of record.

Q: WHAT IF I OWN SHARES AS PART OF SNAP-ON S 401(k) SAVINGS PLAN?

A: Shares held by the Snap-on Incorporated 401(k) Savings Plan for which participant designations are received will be voted in accordance with those designations. Those shares for which designations are not received will be voted proportionally, based on the votes for which voting directions have been received from participants as of April 22, 2019.

Q: WHO IS MAKING THIS SOLICITATION AND HOW MUCH DOES IT COST?

A: This solicitation is being made on behalf of Snap-on Incorporated by its Board of Directors. Our officers and employees may make solicitations by mail, telephone and facsimile, or in person. We have retained Georgeson LLC to assist us in the solicitation of proxies for $9,500 plus expenses. This assistance will include requesting that brokerage houses, depositories, custodians, nominees and fiduciaries forward proxy soliciting material to the beneficial owners of the stock they hold; such assistance will also include the preparation of an institutional shareholder contact list that contains these shareholders voting guidelines. We will bear the cost of this solicitation and reimburse Georgeson LLC for these expenses.

Q: WHEN ARE SHAREHOLDER PROPOSALS DUE FOR THE 2020 ANNUAL MEETING?

A: The Corporate Secretary must receive a shareholder proposal no later than November 12, 2019, for the proposal to be considered for inclusion in our proxy materials for the 2020 Annual Meeting. To otherwise bring a proposal or nomination before the 2020 Annual Meeting, you must comply with our Bylaws. Currently, our Bylaws require written notice to the Corporate Secretary between January 26, 2020, and February 25, 2020. If we receive your notice after February 25, 2020, then your proposal or nomination will be untimely. In addition, your proposal or nomination must comply with the procedural provisions of our Bylaws. If you do not comply with these procedural provisions, your proposal or nomination can be excluded. Should the Board nevertheless choose to present your proposal, the named proxies will be able to vote on the proposal using their best judgment.

Q: WHAT IS THE ADDRESS OF THE CORPORATE SECRETARY?

A: The address of the Corporate Secretary is:

Snap-on Incorporated

Attention: Corporate Secretary

2801 80th Street

Kenosha, Wisconsin 53143

Q: WILL THERE BE OTHER MATTERS TO VOTE ON AT THIS ANNUAL MEETING?

A: We are not aware of any other matters that you will be asked to vote on at the Annual Meeting. Other matters may be voted on if they are properly brought before the Annual Meeting in accordance with our Bylaws. If other matters are properly brought before the Annual Meeting, then the named proxies will vote the proxies they hold in their discretion on such matters.

Table of Contents

ITEM 1: ELECTION OF DIRECTORS

The Board of Directors is currently comprised of 10 directors. This year s Board nominees for election for one-year terms expiring at the 2020 Annual Meeting, and until their successors are elected and qualified, are listed below.

It is our policy that the Board of Directors should reflect a broad variety of experience and talents. When the Corporate Governance and Nominating Committee of the Board determines which directors to nominate for election at any meeting of shareholders, or appoints a new director between meetings, it reviews our director selection criteria and seeks to choose individuals who bring a variety of expertise to the Board within these criteria. For further information about the criteria used to evaluate Board membership, see Corporate Governance Practices and Board Information Nomination of Directors below.

The following is information about the experience and attributes of the nominees. Together, the experience and attributes included below provide the reasons that these individuals continue to serve on the Board and are nominated for re-election to the Board.

David C. Adams

Director since 2016

Mr. Adams, age 65, has served as Chairman of Curtiss-Wright Corporation, a global provider of highly engineered, critical function products and services to the commercial, industrial, defense and energy markets, since 2015, as Chief Executive Officer since 2013 and as President since 2012. He previously served as Curtiss-Wright s Chief Operating Officer from 2012 to 2013, and as its Co-Chief Operating Officer from 2008 until 2012. Prior thereto, he served as a Vice President of Curtiss-Wright and as President of Curtiss-Wright Controls, Inc., the former motion control segment of Curtiss-Wright. Mr. Adams is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, manufacturing, sales, marketing, product innovation/development, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Adams earned a Bachelor of Science degree from California State University and a Master of Business Administration degree from California Lutheran University.

Karen L. Daniel

Director since 2005

Ms. Daniel, age 61, retired in July 2018 as Division President and Chief Financial Officer for Black & Veatch Corporation, a leading global engineering, construction and consulting company specializing in infrastructure development in the areas of energy, water and information, after serving in such roles since 2000. She continues to serve as a director of Commerce Bancshares, Inc. Ms. Daniel is being re-nominated as a director because, among her other qualifications, she possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, accounting/finance (including as a chief financial officer), mergers and acquisitions and strategy development; in addition, Ms. Daniel is a Certified Public Accountant. Ms. Daniel earned a Bachelor of Science degree in accounting from Northwest Missouri State University and a Master of Science degree in accounting from the University of Missouri-Kansas City.

Ruth Ann M. Gillis

Director since 2014

Ms. Gillis, age 64, retired in 2014 as Executive Vice President and Chief Administrative Officer of Exelon Corporation, a utility services holding company engaged in energy generation and delivery. She was also President of Exelon Business Services Company, a subsidiary of Exelon that provides transactional and corporate services to Exelon s operating companies. Previous roles included service as Executive Vice President of ComEd, an Exelon subsidiary, and as the Chief Financial Officer of Exelon. Prior to the merger that formed Exelon, Ms. Gillis was the Chief Financial Officer of Unicom Corp., a producer, purchaser, transmitter, distributor and seller of electricity. She also serves as a director of KeyCorp and

5

Table of Contents

Voya Financial, Inc. Ms. Gillis is being re-nominated as a director because, among her other qualifications, she possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, product innovation/development, information technology, operations, accounting/finance (including as a chief financial officer), mergers and acquisitions, strategy development, executive compensation and leadership development. Ms. Gillis earned a Bachelor of Arts degree in economics from Smith College and a Master of Business Administration degree from the University of Chicago Graduate School of Business.

James P. Holden

Director since 2007

Mr. Holden, age 67, has been our Lead Director since 2009. He served 27 years in the automotive industry, including 19 years with DaimlerChrysler and its predecessor, Chrysler Corporation. He previously served as President and Chief Executive Officer of DaimlerChrysler Corporation, a U.S. subsidiary of DaimlerChrysler AG. Mr. Holden also serves as a director of Elio Motors, Inc., Sirius XM Holdings Inc. and Speedway Motorsports, Inc. Mr. Holden is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, manufacturing, sales, marketing, product innovation/development, information technology, operations, accounting/finance, strategy development, executive compensation, leadership development and franchising. Mr. Holden earned a Bachelor of Science degree in political science from Western Michigan University and a Master of Business Administration degree from Michigan State University.

Nathan J. Jones

Director since 2008

Mr. Jones, age 62, retired in 2007 as President, Worldwide Commercial & Consumer Equipment Division of Deere & Company, a manufacturer of agricultural, commercial and consumer equipment. He previously served as Deere & Company s Senior Vice President and Chief Financial Officer and as its Vice President and Treasurer. Mr. Jones is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, information technology, operations, accounting/finance (including as a chief financial officer), mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Jones earned a Bachelor of Business Administration degree in accounting from the University of Wisconsin-Eau Claire and a Master of Business Administration degree from the University of Chicago Graduate School of Business.

Henry W. Knueppel

Director since 2011

Mr. Knueppel, age 70, retired in 2011 as Chairman of the Board and Chief Executive Officer of Regal Beloit Corporation, a manufacturer of electric motors, generators and controls, as well as mechanical motion control products. Mr. Knueppel previously served as Regal Beloit s President and Chief Operating Officer and as an Executive Vice President prior thereto. Mr. Knueppel continues to serve as a director of Regal Beloit. In addition, Mr. Knueppel serves as a director of WEC Energy Group, Inc.; he previously served as a director of Wisconsin Electric Power Company until 2015. Mr. Knueppel served as a director of Harsco Corporation, a global industrial services and engineering company, until 2016, and was its Non-Executive Chairman of the Board until 2014. Mr. Knueppel is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, manufacturing, marketing, product innovation/development, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Knueppel earned a Bachelor of Arts degree in economics from Ripon College and a Master of Business Administration degree from the University of Wisconsin-Whitewater.

Table of Contents

W. Dudley Lehman

Director since 2003

Mr. Lehman, age 67, retired in 2006 as Group President for Kimberly-Clark Corporation, a manufacturer and marketer of a wide range of consumer and business-to-business products from natural fibers. He previously served as Group President Business to Business and as Group President Infant and Child Care Sectors for Kimberly-Clark. Mr. Lehman is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, manufacturing, sales, marketing, product innovation/development, operations, strategy development, executive compensation and leadership development. Mr. Lehman earned a Bachelor of Arts degree in political science from the University of North Carolina at Chapel Hill and a Master of Business Administration degree from Wake Forest University.

Nicholas T. Pinchuk

Director since 2007

Mr. Pinchuk, age 72, has been Snap-on s President and Chief Executive Officer since 2007 and Chairman of the Board since 2009. Prior to his appointment as President and Chief Executive Officer, Mr. Pinchuk served as Snap-on s President and Chief Operating Officer, and before that as Snap-on s Senior Vice President and President Worldwide Commercial & Industrial Group. Before joining Snap-on in 2002, Mr. Pinchuk served in several executive operational and financial management positions at United Technologies Corporation and held various financial and engineering positions at Ford Motor Company. Mr. Pinchuk also serves as a director of Columbus McKinnon Corporation. In addition to his other experience and expertise, Mr. Pinchuk is being re-nominated as a director because it is the Company s traditional practice to have its Chief Executive Officer serve as a member of the Board. Mr. Pinchuk earned Master and Bachelor of Science degrees in engineering from Rensselaer Polytechnic Institute and a Master of Business Administration degree from Harvard Business School.

Gregg M. Sherrill

Director since 2010

Mr. Sherrill, age 66, has served as non-executive Chairman of Tenneco Inc., a producer of automotive emission control and ride control products and systems, since May 2018. He served as Executive Chairman of Tenneco Inc. from May 2017 until May 2018, and previously served as Chairman and Chief Executive Officer of Tenneco Inc. from 2007 until 2017. Prior thereto, Mr. Sherrill was Corporate Vice President and President, Power Solutions of Johnson Controls Inc., a global diversified technology and industrial company, and held various engineering and manufacturing positions at Ford Motor Company. Mr. Sherrill also serves as a director of The Allstate Corporation. Mr. Sherrill is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, manufacturing, product innovation/development, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Sherrill earned a Bachelor of Science degree in mechanical engineering from Texas A&M University and a Master of Business Administration degree from Indiana University s Graduate School of Business.

Donald J. Stebbins

Director since 2015

Mr. Stebbins, age 61, retired as President and Chief Executive Officer, and also as a director, of Superior Industries International, Inc., a manufacturer of aluminum wheels for the automotive industry, in December 2018, after serving in such roles since 2014. Prior thereto, he provided consulting services to various private equity firms since 2012. Mr. Stebbins previously served as Chairman, President and Chief Executive Officer of Visteon Corporation, an automotive components manufacturer, from 2008 until 2012, after having served as Visteon s President and Chief Operating Officer prior thereto. Visteon filed for Chapter 11 bankruptcy protection in 2009 and emerged from bankruptcy in 2010. Before joining Visteon, Mr. Stebbins held various positions with increasing responsibility at Lear Corporation, a supplier of automotive seating and electrical distribution systems, including President and Chief

Table of Contents

Operating Officer Europe, Asia and Africa, President and Chief Operating Officer Americas, and Senior Vice President and Chief Financial Officer. Mr. Stebbins previously served as a director of WABCO Holdings Inc. until 2016, and as a director of ITT Corporation until 2014. Mr. Stebbins is being re-nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on s industry/market, international business, manufacturing, sales, product innovation/development, operations, accounting/finance (including as a chief financial officer), mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Stebbins earned a Bachelor of Science degree in finance from Miami University and a Master of Business Administration degree from the University of Michigan.

THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES.

Shares represented by proxies will be voted according to instructions on the proxy card. Only cards clearly indicating a vote against will be considered as a vote against the nominee. If the Board learns prior to the Annual Meeting that a nominee is unable to serve, then the Board may name a replacement, in which case the shares represented by proxies will be voted for the substitute nominee.

Table of Contents

CORPORATE GOVERNANCE PRACTICES AND BOARD INFORMATION

Nomination of Directors

The Corporate Governance and Nominating Committee fulfills the role of a nominating committee. The material terms of the Committee s role are included in its charter, which is available on the Company s website at www.snapon.com. The charter requires that all members of the Committee meet the independence requirements of applicable laws and regulations, including, without limitation, the requirements imposed by the listing standards of the New York Stock Exchange (the NYSE).

The Committee uses a variety of means to identify prospective Board members, including the Committee s contacts and recommendations from other sources. In addition, it may also retain a professional search firm to identify candidates. Pursuant to its charter, the Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates and has the sole authority to approve the search firm s fees and other retention items.

The Committee will consider director candidates recommended by shareholders provided that the shareholders submitting recommendations follow the procedures set forth below. The Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate was recommended by a shareholder or not. If a shareholder wishes to suggest an individual for consideration as a nominee for election to the Board at the 2020 Annual Meeting, and possible inclusion in the Proxy Statement, we recommend that you submit your suggestion in writing to the Corporate Secretary before October 1, 2019, for forwarding to the Committee.

To bring a nomination before the 2020 Annual Meeting from the floor during the meeting, you must comply with our Bylaws, which require written notice to the Corporate Secretary between January 26, 2020, and February 25, 2020. If we receive your notice after February 25, 2020, then your proposal or nomination will be untimely. The notice must also meet the requirements set forth in our Bylaws. If you do not comply with these requirements, your nomination can be excluded.

The Committee has a procedure under which all director candidates are evaluated. The Company s Corporate Governance Guidelines provide that the Board will not nominate individuals for election or re-election as directors after they have attained age 75. When evaluating a candidate s capabilities to serve as a member of the Board, the Committee uses the following criteria: independence, the relationships that the candidate has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), conflicts of interest, ability to contribute to the oversight and governance of the Company, the candidate s skill set and positions held at other companies, existing time commitments and diversity. Further, the Committee reviews the qualifications of any candidate with those of the Company s current directors to augment and complement the skill sets of the current Board members. The Company believes that it is important for its Board to be comprised of individuals with diverse backgrounds, skills and experiences. The composition of the Board, as well as the experience and the qualities brought to the Board by our directors, are reviewed annually. While the Committee does not have a formal diversity policy and identifies qualified potential candidates without regard to any candidate s race, color, disability, gender, national origin, religion or creed, it does seek to ensure the fair representation of all shareholder interests on the Board. The Board believes that the use of these general criteria, along with a non-discriminatory policy, will best result in a Board that evidences that diversity in many respects. The Board believes that it currently maintains that diversity.

Communications with the Board

Shareholders and other interested parties who wish to communicate with the Board of Directors, individually or as a group, should send their communications to the Corporate Secretary at the address listed below. The Corporate Secretary is responsible for forwarding communications to the appropriate Board members and screens these communications for security purposes.

Snap-on Incorporated

Attention: Name of Director

c/o Corporate Secretary

2801 80th Street

Kenosha, Wisconsin 53143

Annual Meeting Attendance

All continuing directors are expected to attend the Annual Meeting of Shareholders either in person or by telephone. If a director attends by phone, he or she is also able to answer questions asked at the Annual Meeting. All directors serving at the time attended the 2018 Annual Meeting of Shareholders in person.

Board Information

The primary responsibility of the Board is to oversee the business and affairs of the Company. The Board met eight times in fiscal 2018. All directors attended at least 75% of the total meetings of the Board and committees of which they were members in 2018. The Board also conducts regularly scheduled executive sessions of non-management directors. At these executive sessions, our Lead Director presides. Interested persons may communicate about appropriate subject matter with our Lead Director, as described above under the section titled Communications with the Board.

The Board is organized so that its committees focus on issues that may require more in-depth scrutiny. The present committee structure consists of the (i) Audit, (ii) Corporate Governance and Nominating, and (iii) Organization and Executive Compensation Committees. Committee reports are presented to the full Board for discussion and review.

The Board has adopted Corporate Governance Guidelines, which are available on the Company s website at www.snapon.com.

Director Independence

The Board reviewed the independence of its members considering the independence tests promulgated by the NYSE, and has adopted categorical standards to assist it in making its determinations of director independence. These categorical standards are attached to this Proxy Statement as Appendix A. The Board has affirmatively determined that Ms. Daniel, Ms. Gillis and each of Messrs. Adams, Holden, Jones, Knueppel, Lehman, Sherrill and Stebbins are independent on the basis that they had no relationships with the Company that would be prohibited under the independence standards of the NYSE or in the categorical standards. Mr. Pinchuk, our Chairman, President and Chief Executive Officer, is not considered independent. An immediate family member of Mr. Holden s is an employee of the Company, but is not an executive officer nor is that individual compensated in an amount requiring disclosure under Securities and Exchange Commission (SEC) rules; this relationship is permitted by the categorical standards and the Board determined that it did not affect Mr. Holden s independence.

See Other Information Transactions with the Company for information about Snap-on s policies and practices regarding transactions with members of the Board.

Board s Role in Oversight of Risk

The Audit Committee is primarily responsible for evaluating the Company s policies with respect to risk assessment and risk management. The Audit Committee reviews and discusses the Company s major financial risk exposures and the steps management has taken to monitor and control such risks. The Organization and Executive Compensation Committee oversees risks related to our compensation policies and practices. The Organization and Executive Compensation Committee receives reports and discusses whether the Company s compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. The Corporate Governance and Nominating Committee is responsible for the oversight of risks associated with corporate governance and compliance. Periodically, the full Board itself conducts a review of risk management at the Company.

Board Leadership Structure

The Board has established the position of Lead Director to assist in overseeing the affairs of both the Company and the Board. The Lead Director is appointed by the Board and must be an independent director. The Lead Director s responsibilities include: (i) presiding at Board meetings when the Chairman is not present; (ii) providing input to the Chairman regarding the agendas for Board and Committee meetings; (iii) presiding at all meetings of the independent directors; (iv) acting as the principal liaison between the independent directors and the Chairman on sensitive issues; and (v) being available for meetings with shareholders upon the request of the Chairman. Mr. Holden, an independent director, has served as our Lead Director since 2009.

Our Chairman is also our Chief Executive Officer and thus is not an independent director. The Company believes that having one person serve as chairman and chief executive officer allows that individual to leverage the substantial amount of information gained from both roles to lead the Company most effectively and to act as a unified spokesperson on behalf of the Company. Further, the Company believes that the designation of an independent Lead Director provides essentially the same benefits as having an independent chairman in terms of access and an independent voice with significant input into corporate governance, while maintaining Snap-on s historical practice of generally having its chief executive officer also serve as chairman (other than at times when providing for an orderly transition of chief executive officers).

Audit Committee

The Audit Committee is composed entirely of non-employee directors who meet the independence and accounting or financial management expertise standards and requirements of the NYSE and the SEC. The Audit Committee assists the Board s oversight of the integrity of the Company s financial statements, the Company s independent public accounting firm s qualifications and independence, the performance and retention of the Company s independent registered public accounting firm, the Company s internal audit function and the Company s compliance with legal and regulatory requirements. The Audit Committee is directly responsible for the compensation of the Company s independent public accounting firm. The Audit Committee conducts an annual evaluation of its own performance. During fiscal 2018, the Committee met eight times. The Board has adopted a written charter for the Audit Committee, which is located on the Company s website at www.snapon.com. The Committee s duties and responsibilities are discussed in greater detail in the charter. Currently, Mr. Jones (Chair), Ms. Daniel and Ms. Gillis serve on the Audit Committee. The Board has determined that each member of the Audit Committee qualifies as an audit committee financial expert within the meaning of regulations promulgated by the SEC pursuant to the Sarbanes-Oxley Act of 2002.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is composed entirely of non-employee directors who meet the independence requirements of the NYSE. This Committee makes recommendations to the Board regarding Board policies and structure including size and composition of the Board, corporate governance, number and responsibilities of committees, tenure policy, qualifications of potential Board nominees, including nominees recommended by shareholders, and director compensation. In addition to conducting an annual evaluation of its own performance, the Committee oversees the annual evaluation of the Board. Currently, Messrs. Knueppel (Chair), Adams and Lehman serve on the Corporate Governance and Nominating Committee. During fiscal 2018, the Committee met four times. The Board has adopted a written charter for the Corporate Governance and Nominating Committee, which is located on the Company s website at www.snapon.com. The Committee s duties and responsibilities are discussed in greater detail in the charter. See the section titled Nomination of Directors for more information regarding recommending and nominating director candidates.

Organization and Executive Compensation Committee

The Organization and Executive Compensation Committee is composed entirely of non-employee directors who meet the independence requirements of the NYSE and the SEC. This Committee oversees our corporate organization, executive succession and executive compensation programs. It recommends to the Board the appropriate level of compensation for our Chief Executive Officer and, after consulting with the Chief Executive Officer, approves the compensation of our other officers. This Committee also administers our incentive stock and compensation plans, as well as the employee and franchisee stock ownership plans. This Committee has also been designated by the Board to consider and conduct succession planning for the chief executive officer position with the oversight of the Board. The Committee may, in its sole discretion, retain or obtain the advice of compensation consultants, legal counsel or other advisers as it deems appropriate in connection with the discharge of its duties; prior to selecting any such adviser, the Committee considers all factors relevant to the adviser s independence from management, including those set forth in NYSE and SEC rules. The Committee conducts an annual evaluation of its own performance. Currently, Messrs. Sherrill (Chair), Holden and Stebbins serve on the Organization and Executive Compensation Committee. During fiscal 2018, the Committee met four times. The Board has adopted a written charter for the Organization and Executive Compensation Committee, which is located on the Company s website at www.snapon.com. The Committee s duties and responsibilities are discussed in greater detail in the charter. The Committee s processes and procedures are described in the section titled Compensation Discussion and Analysis.

Availability of Certain Corporate Governance Documents

The Board has adopted Corporate Governance Guidelines, a Code of Business Conduct and Ethics, and written charters for the Audit, Corporate Governance and Nominating and the Organization and Executive Compensation Committees. The Corporate Governance Guidelines, the Code of Business Conduct and Ethics (and information about any waivers from the Code that are granted to directors or executive officers) and the committees charters are available on the Company s website at www.snapon.com.

Table of Contents

Board Compensation

Employee Directors

Directors who are employees do not receive additional compensation for serving on the Board or its Committees.

Non-employee Directors

The annual cash retainer for our non-employee directors was increased from $95,000 to $100,000 in April 2018. Annual committee chair fees were as follows: Audit Committee $22,500 (increased from $20,000); Organization and Executive Compensation Committee $15,000; and Corporate Governance and Nominating Committee $12,500. Audit Committee members, excluding the Audit Committee Chair, received an additional annual fee of $12,500 (increased from $10,000). Beginning in fiscal 2018, members of the Corporate Governance and Nominating Committee and the Organization and Executive Compensation Committee, other than each committee s chair, now receive an additional annual fee of $5,000 for such service. Our Lead Director received an additional annual fee of $25,000 for serving in that role. Non-employee directors do not receive Board or committee meeting attendance fees.

On February 15, 2018, the Board of Directors approved a grant of $135,000 worth of restricted stock under our 2011 Incentive Stock and Awards Plan (the 2011 Plan) to each non-employee director serving at the time. The number of restricted shares granted was based on the average closing price for the Company s stock for the 30 business days prior to the grant date and, as a result, each non-employee director received 775 restricted shares. The restrictions on these shares generally lapse upon the earliest of the first anniversary of the grant date, the director s death or disability or a change of control, as defined in the 2011 Plan. The directors have full voting rights with respect to these shares and are entitled to receive cash dividends at the same rate as the dividends paid to our other shareholders.

Directors have the option to receive up to 100% of their fees, including the annual retainer, in cash or shares of common stock under the Amended and Restated Directors 1993 Fee Plan, which we refer to as the Directors Fee Plan. Under the Directors Fee Plan, non-employee directors receive shares of our common stock based on the fair market value of a share of our common stock on the last day of the month in which the fees are paid. Directors may choose to defer the receipt of all or part of their shares and fees to a deferral account. The Directors Fee Plan credits deferred cash amounts with earnings based on market rates of return. Earnings on deferred cash amounts were based on the applicable market rates, which averaged 3.52% during fiscal 2018. Dividends on deferred shares of common stock are automatically reinvested.

Directors also are entitled to reimbursement for reasonable out-of-pocket expenses they incur in connection with their travel to and attendance at meetings of the Board or committees thereof. In addition, non-employee directors who are not eligible to participate in another group health plan may participate in our medical plans on the same basis as our employees; however, non-employee directors must pay the full premium at their own expense. Eligibility to participate in our medical plans ceases upon termination of service as a director. In addition, pursuant to the Company s employee tool purchase plan, directors are eligible to take advantage of employee discount prices up to a maximum of $5,000 per year, the same limit applicable to Company retirees (who are also eligible to participate in the plan).

Table of Contents

Set forth below is a summary of compensation for each non-employee director in fiscal 2018:

Table 1: Director Compensation

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2][3]	All Other Compensation ($)[4]	Total ($)
David C. Adams	$ 103,750	$ 124,915	$ 2,643	$ 231,308
Karen L. Daniel	111,250	124,915	54,942	291,107
Ruth Ann M. Gillis	111,250	124,915	2,643	238,808
James P. Holden	128,750	124,915	46,898	300,563
Nathan J. Jones	121,250	124,915	40,296	286,461
Henry W. Knueppel	111,250	124,915	13,735	249,900
W. Dudley Lehman	103,750	124,915	54,942	283,607
Gregg M. Sherrill	113,750	124,915	17,834	256,499
Donald J. Stebbins	103,750	124,915	2,643	231,308

(1) Includes annual retainer and committee and chair fees. For Mr. Holden, this amount also includes his fee for serving as Lead Director.

(2) Amounts shown represent the grant date fair value of restricted stock granted to non-employee directors during the fiscal year. The Financial Accounting Standards Board s Accounting Standards Codification Topic 718 (ASC 718) requires us to recognize compensation expense for stock awards granted to our directors based on the estimated fair value of the equity awards at the time of grant. The fair value is expensed over the contractual term of the awards. The grant date fair value of the restricted stock in the table is calculated using the closing price on the grant date ($161.18) and differs from the amount disclosed in Board Compensation Non-employee Directors above because the number of shares is determined based on the average closing price for the Company s stock for the 30 business days prior to the grant date ($174.11). The assumptions used to determine the valuation of such restricted stock awards are discussed in Note 14 to our Consolidated Financial Statements.

(3) Each current non-employee director had the following stock awards outstanding as of the end of the fiscal year:

Name	Stock Awards Shares of Stock That Have Not Vested

	(#)
David C. Adams	775
Karen L. Daniel	16,112
Ruth Ann M. Gillis	775
James P. Holden	13,753
Nathan J. Jones	11,817
Henry W. Knueppel	4,028
W. Dudley Lehman	16,112
Gregg M. Sherrill	5,230
Donald J. Stebbins	775

The restrictions on the shares of restricted stock granted to non-employee directors in fiscal 2018 generally lapse upon the earliest of the first anniversary of the grant date, the director s death or disability or a change of control, as defined in the 2011 Plan. The restrictions on the restricted stock units (RSUs) granted from fiscal 2009 through fiscal 2012, and on the shares of restricted stock granted prior to fiscal 2009, lapse upon the earliest of the director s retirement from the Board, the director s death or a change of control, as defined in the 2011 Plan or its predecessor.

(4) Includes cash dividends paid on shares of restricted stock and dividend equivalents with respect to the number of shares of common stock represented by RSUs to the extent not reflected in the grant date fair value of these awards.

Stock Ownership Guidelines for Directors

Snap-on believes it is important for directors to maintain an equity stake in Snap-on to further align their interests with those of our shareholders. Directors must comply with stock ownership guidelines as determined from time to time by our Board. Each director is required to own Snap-on shares (including securities that vest upon departure from the Board) equal to five times the director s annual cash retainer within five years from the start of the next calendar year after such director s initial election or appointment. Currently, eight of our nine non-employee directors have met the ownership guidelines. Mr. Adams, who was appointed to the Board in 2016, has until January 1, 2022, to comply with the guidelines.

Table of Contents

ITEM 2: RATIFY THE AUDIT COMMITTEE S SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2019

The Audit Committee is directly responsible for the appointment, compensation, oversight and retention of the Company s independent registered public accounting firm. The Board of Directors proposes that shareholders ratify the selection by the Audit Committee of Deloitte & Touche LLP (D&T) to serve as the Company s independent registered public accounting firm for fiscal 2019. D&T has served as the Company s independent registered public accounting firm since 2002. In making its decision to reappoint D&T for fiscal 2019, the Audit Committee considered the qualifications, performance and independence of D&T and the audit engagement team, the quality of its discussions with D&T and the fees charged for the services provided. Pursuant to the Sarbanes-Oxley Act of 2002 and regulations promulgated by the SEC thereunder, the Audit Committee is directly responsible for the appointment of the independent registered public accounting firm. Although shareholder ratification of the Audit Committee s selection of the independent registered public accounting firm is not required by our Bylaws or otherwise, we are submitting the selection of D&T to our shareholders for ratification to permit shareholders to participate in this important decision. If the shareholders fail to ratify the Audit Committee s selection of D&T as the Company s independent registered public accounting firm for fiscal 2019 at the Annual Meeting, the Audit Committee will reconsider the selection, although the Audit Committee will not be required to select a different independent registered public accounting firm. Representatives of D&T will be at the Annual Meeting to answer your questions and to make a statement if they so desire.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE AUDIT COMMITTEE S SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2019.

AUDIT COMMITTEE REPORT

The duties and responsibilities of the Audit Committee are set forth in a written charter adopted by the Board, which is located on the Company s website at www.snapon.com. The Audit Committee reviews and reassesses this charter annually and recommends any changes to the Board for approval.

During fiscal 2018, the Audit Committee met eight times. In the exercise of its duties and responsibilities, the Committee members reviewed and discussed the audited financial statements for fiscal 2018 with management and the independent registered public accounting firm. In addition, the Audit Committee members met to discuss the earnings press releases and interim financial information with the Chairman, President and Chief Executive Officer, the Senior Vice President Finance and Chief Financial Officer, the Vice President and Controller, and the independent registered public accounting firm prior to public release.

The Audit Committee also discussed with the independent registered public accounting firm those matters required to be discussed by the Public Company Accounting Oversight Board s (PCAOB) Auditing Standard No. 1301, Communications with Audit Committees. In addition, the independent registered public accounting firm provided to the Audit Committee the written disclosures required by PCAOB Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, and the Audit Committee discussed with the independent registered public accounting firm their independence. Based on their review and discussions and subject to the limitations on the role and responsibilities of the Audit Committee in its charter, the Audit Committee recommended to the Board that the audited financial statements be included in Snap-on s Annual Report to shareholders on Form 10-K to be filed with the SEC.

Nathan J. Jones, Chair

Karen L. Daniel

Ruth Ann M. Gillis

16

Table of Contents

DELOITTE & TOUCHE LLP FEE DISCLOSURE

The Audit Committee selects our independent registered public accounting firm for each fiscal year. During the fiscal year ended December 29, 2018, D&T was employed principally to perform the annual audit, including audit services related to the Company s Sarbanes-Oxley Section 404 compliance, and to render tax advice and compliance services. The following table sets forth the amount of fees for professional services rendered by D&T as of and for the fiscal years ended December 29, 2018 (fiscal 2018) and December 30, 2017 (fiscal 2017).

	Fiscal 2018	Fiscal 2017
Audit[1]	$ 4,848,344	$ 4,708,667
Audit Related[2]	135,000	197,000
Tax[3]	2,071,742	1,821,716
All Other Fees		
Total Fees	**$ 7,055,086**	**$ 6,727,383**

(1) Includes fees related to the issuance of the audit opinions, including audit requirements pursuant to Sarbanes-Oxley 404 and the PCAOB, and timely quarterly reports on Form 10-Q, statutory audits and consents for other SEC filings.

(2) Includes accounting advisory services and attestation services that are not required by statute or regulation.

(3) Includes U.S. and international tax advice and compliance services.

The Audit Committee has adopted a policy for pre-approving all audit and non-audit services provided by the independent registered public accounting firm. These procedures include reviewing a budget for audit and permitted non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of non-audit services that are recurring in nature or anticipated at the time the budget is submitted. Audit Committee pre-approval is required to exceed the budgeted amount for a particular category of services and to engage the independent registered public accounting firm for any service that was not pre-approved. The Audit Committee considers whether the provision of such services are consistent with the SEC s rules on auditor independence and whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service. The Audit Committee considered the non-audit services provided by D&T in fiscal 2018 and 2017 and determined that the provision of those services is compatible with maintaining auditor independence. The Audit Committee has also delegated pre-approval authority to the Committee Chair, provided that any pre-approval by the Committee Chair is reported to the Audit Committee at its next regularly scheduled meeting. The Audit Committee periodically receives a report from members of management and the independent registered public accounting firm on the services rendered and fees paid to the independent registered public accounting firm to ensure that such services are within the pre-approved amounts.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the number of shares of Snap-on common stock beneficially owned by each non-employee director or nominee for director, Messrs. Banerjee, Kassouf, Pagliari, Pinchuk and Ward (the named executive officers or NEOs), and all current directors and executive officers as a group, as well as each person or entity known to us to be the beneficial owner of more than 5% of our common stock, as of the close of business on February 25, 2019 (the Record Date). Beneficial owners include the directors and executive officers, their spouses, minor children and family trusts. Unless otherwise indicated in the footnotes, the individuals and entities listed below have sole voting and investment power over their shares.

Table 2: Security Ownership of Certain Beneficial Owners and Management

Name	Shares Beneficially Owned[1]	Percentage of Shares Outstanding
David C. Adams	3,013	*
Anup R. Banerjee	58,870	*
Karen L. Daniel	14,015	*
Ruth Ann M. Gillis	7,707	*
James P. Holden	20,884	*
Nathan J. Jones	3,055	*
Henry W. Knueppel	8,071	*
W. Dudley Lehman	9,609	*
Aldo J. Pagliari	265,702	*
Nicholas T. Pinchuk	1,489,999	2.6%
Gregg M. Sherrill	7,013	*
Donald J. Stebbins	8,346	*
Thomas J. Ward	206,975	*
All current directors and executive officers as a group (18 persons)	2,256,808	3.9%
Former Executive Officer		
Thomas L. Kassouf	150,065	*
The Vanguard Group, Inc.[2]	5,972,082	10.7%
BlackRock, Inc.[3]	4,525,663	8.1%

* Less than 1%

(1) Amounts for directors and executive officers include deferred share units payable in shares of common stock on a one-for-one basis. Amounts also include shares subject to options granted under Snap-on s option plans that are exercisable currently or within 60 days of the Record Date. The options include those held by the following individuals for the indicated number of shares: Mr. Banerjee (48,664), Mr. Kassouf (145,759), Mr. Pagliari (218,164), Mr. Pinchuk (1,015,763) and Mr. Ward (163,549), and all current executive officers and directors as a

group (1,576,152). In addition to the shares reported in the table above, the following directors were previously granted

Table of Contents

RSUs for the indicated number of shares that vest following departure from the Board: Ms. Daniel (9,607), Mr. Holden (9,607), Mr. Jones (9,607), Mr. Knueppel (3,253), Mr. Lehman (9,607) and Mr. Sherrill (4,455).
For Ms. Gillis, includes 265 shares held in a gift trust, of which her husband serves as a trustee and her adult son is a beneficiary.

(2) The Vanguard Group, Inc., 100 Vanguard Boulevard, Malvern, PA 19355, has reported on Schedule 13G/A, filed on February 11, 2019, the beneficial ownership of 5,972,082 shares of common stock as of December 31, 2018. Vanguard reports sole voting power as to 64,709 of these shares, shared voting power as to 11,766 shares, sole dispositive power as to 5,897,677 shares and shared dispositive power as to 74,405 shares.

(3) BlackRock, Inc., 40 East 52nd Street, New York, NY 10022, has reported on Schedule 13G/A, filed on February 6, 2019, the beneficial ownership of 4,525,663 shares of common stock as of December 31, 2018. BlackRock reports sole voting power as to 3,798,833 of these shares and sole dispositive power to all 4,525,663 shares.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Discussion and Analysis provides information regarding the objectives and elements of our compensation program with respect to the current and former executive officers named in the Summary Compensation Table herein (the named executive officers or NEOs) and listed below:

Nicholas T. Pinchuk: Chairman, President and Chief Executive Officer

Aldo J. Pagliari: Senior Vice President Finance and Chief Financial Officer

Thomas J. Ward: Senior Vice President and President Repair Systems & Information Group

Thomas L. Kassouf: Former Senior Vice President and President Snap-on Tools Group

Anup R. Banerjee: Senior Vice President Human Resources and Chief Development Officer

As previously announced, Mr. Kassouf retired from the Company on February 28, 2019.

At the 2018 Annual Meeting, we held a shareholder advisory vote to approve our executive compensation policies and decisions (Say-on-Pay). Over 89% of shares voted supported the proposal and, therefore, the advisory resolution regarding executive compensation was approved. Although the vote was non-binding, the Company, the Board of Directors and the Organization and Executive Compensation Committee of the Board (the Committee) all pay close attention to our shareholders views regarding the Company s executive compensation policies and decisions. Based on the vote, the Committee believes that our shareholders support the Company s executive compensation philosophy, program and decisions.

Executive Summary

Financial Performance Overview

In 2018, Snap-on continued to deliver on its principal value proposition of observing work, translating the insights gained and creating solutions to make work easier for serious professionals. Opportunities to leverage this value proposition both within and beyond automotive repair are embodied in our runways for coherent growth: enhance the franchise network, expand with repair shop owners and managers, extend to critical industries and build in emerging markets. At the same time, these operating results also reflect our ongoing commitment to our Snap-on Value Creation Processes, a suite of principles we use every day in the areas of safety, quality, customer connection, innovation and rapid continuous improvement (RCI).

Net sales of $3.74 billion increased 1.5% from 2017, reflecting $19.3 million, or 0.5%, of organic sales growth (a non-GAAP financial measure that excludes acquisition-related sales and foreign currency translation), $24.2 million of acquisition-related sales and $10.3 million of favorable foreign currency translation. The organic sales increase reflects advances in our industrial end markets offset by marginally lower organic sales in our automotive repair markets, including both our businesses that serve repair shop owners and managers, and in our mobile tool distribution business serving primarily vehicle repair technicians.

With respect to profitability, operating margin before financial services of 19.4% included a pre-tax $4.3 million benefit from the settlement of a litigation matter that was being appealed (the legal settlement) and compared to 18.0% a year ago. In 2017, operating margin before financial services included $45.9 million of pre-tax charges related to judgments in litigation matters (legal charges). Operating earnings from financial services of $230.1 million increased 5.8% primarily due to continued growth of our financial services portfolio. Net earnings of $679.9 million increased 21.9% year over year, and diluted earnings per share reached $11.87. Net earnings for 2018 included a benefit of $3.2 million after tax, or $0.06 per diluted share, from the legal settlement, a net benefit of $4.1 million after tax, or $0.07 per

Table of Contents

diluted share, from items related to the issuance and extinguishment of debt (net debt items) and charges of $3.9 million, or $0.07 per diluted share, related to newly issued guidance associated with U.S. tax legislation (the Tax Act). Net earnings for 2017 included $28.4 million after tax, or $0.48 per diluted share, of legal charges and a charge of $7.0 million, or $0.12 per diluted share, related to the Tax Act.

We believe our ongoing commitment to our strategic initiatives for both growth and improvement will enable us to create long-term value for our shareholders. The table below provides fiscal 2018 and 2017 financial highlights:

Performance Metric	Fiscal 2018	Fiscal 2017	Change
Net Sales	$3.74 billion	$3.69 billion	+1.5% (+0.5% excluding $24.2 million of acquisition-related sales and $10.3 million of favorable foreign currency translation)
Operating Earnings before Financial Services	$726.0 million	$664.6 million	+9.2% (including for 2018, $4.3 million pre-tax benefit for the legal settlement and for 2017, $45.9 million pre-tax for legal charges)
Operating Earnings before Financial Services as a Percent of Net Sales	19.4%	18.0%	+140 bps (including in 2018, an increase of 10 bps from the legal settlement and in 2017, a decrease of 130 bps associated with legal charges)
Consolidated Operating Earnings	$956.1 million	$882.1 million	+8.4% (including for 2018, a $4.3 million pre-tax benefit from the legal settlement and for 2017, $45.9 million pre-tax for legal charges)
Diluted Earnings Per Share	$11.87	$9.52	+24.7% (including for 2018, a $0.06 per diluted share benefit from the legal settlement, a $0.07 per diluted share benefit from net debt items, and a $0.07 per diluted share charge related to the Tax Act and for 2017, $0.48 per diluted share for legal charges and $0.12 per diluted share for charges related to the Tax Act)

At the beginning of fiscal 2018, Snap-on adopted Accounting Standards Update (ASU) No. 2017-07, *Compensation Retirement Benefits (Topic 715) Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The ASU requires changes be applied retrospectively; as such, certain prior year amounts have been adjusted to reflect this adoption and conform to the 2018 presentation.

Table of Contents

Non-GAAP Measure

The references above to organic sales refer to sales from continuing operations calculated in accordance with generally accepted accounting principles in the United States (GAAP), excluding acquisition-related sales and the impact of foreign currency translation. Management evaluates the Company s sales performance based on organic sales growth, which primarily reflects growth from the company s existing businesses as a result of increased output, customer base and geographic expansion, new product development and/or pricing, and excludes sales contributions from acquired operations the Company did not own as of the comparable prior-year reporting period. The Company s organic sales disclosures also exclude the effects of foreign currency translation as foreign currency translation is subject to volatility that can obscure underlying business trends. Management believes that the non-GAAP financial measure of organic sales is meaningful to investors as it provides them with useful information to aid in identifying underlying growth trends in our businesses and facilitating comparisons of our sales performance with prior periods.

2018 Executive Compensation Overview

Our executive compensation philosophy drives programs structured to pay for operating and individual performance. Our positive results are driven by our executives, and their teams, who are rewarded for this performance. Our pay program is aligned with our key long-term and short-term strategic business objectives. As results improve, our shareholders and associates, including our executives, are rewarded. However, if results decline or do not improve, our executives compensation is reduced accordingly. In accordance with our pay-for-performance philosophy, since our corporate financial performance for fiscal 2018 represented progress but did not meet our targets, annual incentive payments, performance-based restricted stock units (RSUs) and long-term performance-based share units (PSUs) were all earned at levels below target and, as discussed below, fiscal 2019 compensation levels were adjusted accordingly. The components of our executive compensation program are described in this section and in Executive Compensation Information below.

Annual incentive payments to our NEOs based on fiscal 2018 corporate financial performance and personal strategic business goals paid out between threshold and target, and ranged from 14.8% to 59.1% of target. See Total Direct Compensation Cash and Incentive Annual Incentives below for a more detailed discussion.

Performance-based RSUs are earned based on the corporate financial performance component of the annual incentive plan. Based on corporate financial performance, RSUs were earned between the threshold and target levels at 78.1%, and will vest at the end of fiscal 2020, assuming continued employment. See Total Direct Compensation Cash and Incentive Long-term Incentive Compensation Performance-Based Restricted Stock Units below for a more detailed discussion.

In February 2019, the Committee approved the vesting of PSUs granted in 2016 based on financial performance during fiscal 2016 to 2018. As a result of the Company s actual performance during that period, the PSUs were earned at 86.9% of target. See Total Direct Compensation Cash and Incentive Long-term Incentive Compensation Long-term Performance-Based Share Units below for a more detailed discussion.

22

Table of Contents

Overview of Executive Equity Grants for 2017, 2018 and 2019

In furtherance of the Company s pay-for-performance philosophy and after reviewing practices in the Market (described below), the Committee made changes to its equity award allocation formula for fiscal 2018 to place a greater emphasis on performance-based equity awards through increasing the portion of equity awards granted to our executive officers as PSUs and performance-based RSUs and decreasing the portion granted as stock options. In addition, as a result of the Company s fiscal 2018 and 2017 performance, which, as previously disclosed, was below target for annual incentives, performance-based RSUs and PSUs, grants of equity awards for our executive officers were generally reduced in fiscal 2018 and further reduced in fiscal 2019. The bar charts below outline the grant date fair value of equity grants to the NEOs in 2017, 2018 and 2019. The 2019 grants will be reported in the Summary Compensation Table in the 2020 Proxy Statement and are not included in the Summary Compensation Table in this Proxy Statement.

As noted above, the allocation of equity awards was modified in 2018 to place a greater weighting on performance-based incentives. For fiscal 2017 grants, the Black-Scholes value of our shares was $33.45 and the closing price of our stock on the grant date, which was also the option exercise price, was $168.70. For fiscal 2018 grants, the Black-Scholes value of our shares was $32.54 and the closing price of our stock on the grant date, which was also the option exercise price, was $161.18. For fiscal 2019 grants, the Black-Scholes value of our shares was $31.91 and the closing price of our stock on the grant date, which was also the option exercise price, was $155.92.

While the equity grant allocation formula for Mr. Banerjee for fiscal 2018 was adjusted, as described above, the overall grant date fair value of his equity award was not reduced from his fiscal 2017 equity award as a result of the positioning of his compensation relative to Company peers; however, similar to the other Named Executive Officers, the grant date fair value of his award was reduced for fiscal 2019.

Table of Contents

Five Year Stock Performance Overview

The graph below illustrates the cumulative total shareholder return (TSR) of a $100 investment in Snap-on common stock on December 31, 2013, assuming that dividends were reinvested quarterly, through the end of fiscal 2018 as compared to the Standard & Poor s 500 Industrials Index (S&P 500 Industrials) and Standard & Poor s 500 Stock Index (S&P 500).

Fiscal Year Ended (*)	Snap-on Incorporated	S&P 500 Industrials	S&P 500
December 31, 2013	$ 100.00	$ 100.00	$ 100.00
December 31, 2014	126.77	109.83	113.69
December 31, 2015	161.15	107.04	115.26
December 31, 2016	163.63	127.23	129.05
December 31, 2017	169.61	153.99	157.22
December 31, 2018	144.41	133.53	150.33