

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 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 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A	This return/report is for:	☐ a multiemployer plan ☒ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☐ a single-employer plan ☐ the first return/report ☐ an amended return/report	☐ a DFE (specify) _____ ☐ the final return/report ☐ a short plan year return/report (less than 12 months)	
B	This return/report is:		
C	If the plan is a collectively-bargained plan, check here.		☐
D	Check box if filing under:	☒ Form 5558 ☐ special extension (enter description)	☐ automatic extension ☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>SANDVIK PENSION PLAN</u>	1b	Three-digit plan number (PN) ► <u>004</u>
		1c	Effective date of plan <u>01/01/1980</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SANDVIK, INC.</u> <u>1702 NEVINS ROAD</u> <u>FAIR LAWN, NJ 07410-0428</u>	2b	Employer Identification Number (EIN) <u>22-1717737</u>
		2c	Plan Sponsor's telephone number <u>201-794-5015</u>
		2d	Business code (see instructions) <u>332900</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	Filed with authorized/valid electronic signature.	10/16/2017	ANNETTE E. MASKAL
	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)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	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 6287
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 1477
a(2) Total number of active participants at the end of the plan year	6a(2) 1313
b Retired or separated participants receiving benefits.....	6b 3024
c Other retired or separated participants entitled to future benefits	6c 1263
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 5600
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 415
f Total. Add lines 6d and 6e	6f 6015
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	
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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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	b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)
(3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ 0 A (Insurance Information)
	(4) ☒ C (Service Provider Information)
	(5) ☒ D (DFE/Participating Plan Information)
	(6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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>SANDVIK PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SANDVIK, INC.</u>	D Employer Identification Number (EIN) <u>22-1717737</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>2016</u>	
2 Assets:	
a Market value	2a <u>590485336</u>
b Actuarial value	2b <u>613185329</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>3298</u> (2) Vested Funding Target <u>212070505</u> (3) Total Funding Target <u>212070505</u>
b For terminated vested participants	<u>1536</u> <u>77217394</u> <u>77217394</u>
c For active participants	<u>1477</u> <u>165376628</u> <u>175238676</u>
d Total	<u>6311</u> <u>454664527</u> <u>464526575</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>6.13 %</u>
6 Target normal cost	6 <u>13480828</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	
Signature of actuary	<u>10/05/2017</u>
<u>AIKAZ MAKAROVSKIY</u>	Date
Type or print name of actuary	<u>17-06311</u>
<u>MERCER</u>	Most recent enrollment number
Firm name	<u>212-345-7685</u>
<u>1166 AVENUE OF THE AMERICAS</u> <u>NEW YORK, NY 10036</u>	Telephone number (including area code)
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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11145471	38097286
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	11145471	38097286
10	Interest on line 9 using prior year's actual return of <u>-1.52</u> %	-169411	-579079
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		18027733
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.31</u> %		1137550
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		19165283
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	10976060	37518207

Part III Funding Percentages			
14	Funding target attainment percentage	14	121.56%
15	Adjusted funding target attainment percentage	15	132.00%
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	123.57%
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
09/13/2017	20000000	0			
Totals ►			18(b)	20000000	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 18077589
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

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost					
21	Discount rate:					
a	Segment rates:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22	63			
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	0			
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	13480828			
b	Excess assets, if applicable, but not greater than line 31a	31b	13480828			
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				
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	0			
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	18077589			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	18077589			
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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> <div style="text-align: center; font-size: 1.2em;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan SANDVIK PENSION PLAN	B Three-digit plan number (PN) ► 004
C Plan sponsor's name as shown on line 2a of Form 5500 SANDVIK, INC.	D Employer Identification Number (EIN) 22-1717737

Part I	Service Provider Information (see instructions)
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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 THE BANK OF NEW YORK MELLON
	13-5160382

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

MERCER INVESTMENT

30-0282430

(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?
51 52	FIDUCIARY	0	Yes ☒ No ☐	Yes ☒ No ☐	1180203	Yes ☐ No ☒

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

MERCER

13-2834414

(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	NONE	96390	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:	VICTOR BUONOPANE	b EIN:	53-0181291
c Position:	ENROLLED ACTUARY		
d Address:	335 MADISON AVENUE NEW YORK, NY 10017	e Telephone:	212-972-8834

Explanation: TERMINATION DUE TO THE APPOINTMENT OF A NEW ENROLLED ACTUARY ON THIS PLAN AS VICTOR IS NO LONGER EMPLOYED BY MERCER.

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:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>SANDVIK PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>004</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>SANDVIK, INC.</u>	D Employer Identification Number (EIN) <u>22-1717737</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MERCER US SMALL/MID CAP GROWTH EQUI</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>03-0566611-003</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>67186054</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MERCER LONG DURATION INVESTMENT GRA</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>26-6700496-016</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>168674214</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MERCER NON-US CORE EQUITY PORTFOLIO</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>03-0566617-009</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>55824127</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA U.S. LONG GOVERNMENT BOND INDE</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>90-0337987-182</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>51499310</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA EMERGING MARKETS INDEX NL FUND</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>04-0025081-496</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>30137999</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MERCER GLOBAL LOW VOLATILITY EQUITY</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>35-7004395-018</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>31466868</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MERCER US LARGE CAP CORE PASSIVE EQ</u>			
b Name of sponsor of entity listed in (a): <u>MERCER</u>			
c EIN-PN <u>03-0566613-005</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>151420873</u>	

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER CORE PASSIVE FIXED INCOME**b** Name of sponsor of entity listed in (a): MERCER

c EIN-PN 03-0566612-007	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 44332223
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a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER US SMALL/MID CAP VALUE EQUIT**b** Name of sponsor of entity listed in (a): MERCER

c EIN-PN 03-0566616-004	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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
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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) 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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan SANDVIK PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 SANDVIK, INC.		
		D Employer Identification Number (EIN) 22-1717737

Part I	Asset and Liability Statement
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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)	20000000	20000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	5	337
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(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)	569320048	600541668
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	2000000	1976550
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

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	591320053	622518555

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	0
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	591320053	622518555
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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)	20000000	
(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)		20000000
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)	1518	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1518
(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)	49322316	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		49322316

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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		69323834

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	37626574	
(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)		37626574
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)	96390	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	402368	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		498758
j Total expenses. Add all expense amounts in column (b) and enter total	2j		38125332

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		31198502
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: CROWE HORWATH LLP

(2) EIN: 35-0921680

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.)	4c		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.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		X	
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?	4h		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.)	4i	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.)	4j	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?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 3984613. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>SANDVIK PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SANDVIK, INC.</u>	D Employer Identification Number (EIN) <u>22-1717737</u>

Part I	Distributions
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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>23-2890788</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>201</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.)
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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
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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
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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.
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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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

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
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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: <u>56.0</u> % Investment-Grade Debt: <u>43.0</u> % High-Yield Debt: _____% Real Estate: _____% Other: <u>1.0</u> %	
	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): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

SANDVIK PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Investments, at fair value	\$ 602,518,218	\$ 571,320,048
Receivables		
Employer contribution	20,000,000	20,000,000
Accrued income	<u>337</u>	<u>5</u>
Total assets	<u>622,518,555</u>	<u>591,320,053</u>
Net assets available for benefits	<u><u>\$ 622,518,555</u></u>	<u><u>\$ 591,320,053</u></u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Additions to net assets attributed to		
Net appreciation in fair value of investments	\$ 49,322,316	\$ -
Interest income	1,518	13
Employer contribution	<u>20,000,000</u>	<u>20,000,000</u>
Total additions	<u>69,323,834</u>	<u>20,000,013</u>
 Deductions from net assets attributed to		
Administrative expenses	498,758	445,290
Net depreciation in fair value of investments	-	7,700,324
Benefits paid directly to participants and beneficiaries	<u>37,626,574</u>	<u>21,702,102</u>
Total deductions	<u>38,125,332</u>	<u>29,847,716</u>
 Net increase (decrease)	 31,198,502	 (9,847,703)
 Net assets available for benefits		
Beginning of year	<u>591,320,053</u>	<u>601,167,756</u>
 End of year	 <u>\$ 622,518,555</u>	 <u>\$ 591,320,053</u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Actuarial present value of accumulated plan benefits (Note 1)		
Vested benefits		
Retired participants and beneficiaries receiving payments	\$ 228,407,424	\$ 211,025,767
Terminated vested participants	63,033,946	76,673,954
Other participants	<u>166,682,377</u>	<u>165,600,149</u>
	458,123,747	453,299,870
 Nonvested benefits	 <u>9,230,972</u>	 <u>9,868,577</u>
 Total actuarial present value of accumulated plan benefits	 <u><u>\$ 467,354,719</u></u>	 <u><u>\$ 463,168,447</u></u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Actuarial present value of accumulated plan benefits at beginning of year	\$ 463,168,447	\$ 443,215,212
Decrease during the year attributable to Benefits paid	(37,626,574)	(21,702,101)
Increase during the year attributable to Benefits accumulated	15,636,369	16,165,692
Increase for interest due to decrease in discount period	28,781,180	28,044,894
Change in plan provisions (Note 1)	729,367	3,480,442
Change in assumptions (Note 1)	<u>(3,334,070)</u>	<u>(6,035,692)</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 467,354,719</u>	<u>\$ 463,168,447</u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the Sandvik Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

General: The Plan is a defined benefit pension plan established effective January 1, 1980, covering substantially all employees of Sandvik, Inc. (the “Company”) and its affiliated companies except certain collectively bargained employees who are covered under other arrangements. Employees become eligible to participate in the Plan as of the first day of the calendar month following the date of completion of one year of credited service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The assets of the Plan are managed by Mercer Investment Management, and The Bank of New York Mellon is the Plan’s trustee.

Effective January 1, 2007, the Plan was closed to new entrants. Employees hired on or after that date will receive benefits via the Sandvik 401(k) Retirement Plan. This change impacts new employees only. Employees hired prior to January 1, 2007 will have no change in their participation in the Plan and their benefits will continue to accrue.

Pension Benefits: Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65) equal to 1.5% of their final average compensation multiplied by their years of credited service. The benefit is reduced for early retirement or termination prior to attaining normal or early retirement age. The Plan permits early retirement at ages 55 to 64. The normal form of retirement income is a straight life annuity for single participants and a joint and 50% survivor annuity for married participants. Employees may, however, elect to receive their pension benefits in the form of a joint and 100% survivor annuity, 120 months certain and continuous payments, or a lump sum payout for accrued benefit values less than \$10,000. Amounts less than \$5,000 are paid as lump sums automatically. Generally, if an active employee dies prior to normal retirement age, the beneficiary will receive a death benefit in the form of a joint and 50% survivor annuity.

During 2016, the Plan offered one “Lump Sum Election Window” for the period starting on October 12, 2016 and ending on November 14, 2016 permitting eligible members to receive their benefits under the Plan in the form of a lump sum and participants elected to receive distributions in the amount totaling \$15,612,699 during that Election Window period.

Investment Management Expenses: Investment management fees are charged to the Plan as a reduction of investment return and included in the investment income (loss) reported by the Plan. Substantially all other expenses of the Plan are paid by the Company, as detailed in Note 2.

Vesting: Plan participants become fully vested after completion of five years of credited service, as defined in the Plan. Credited service is tracked from the later of the participant’s date of hire or the date a subsidiary becomes a participating employer in the Plan.

Actuarial Present Value of Accumulated Plan Benefits: Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan’s provisions to the service employees have rendered through the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits for Plan participants are generally based upon years of benefit service worked by each individual participant. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

(Continued)

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (through decreases for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of December 31, 2016, 2015 and 2014 were:

Assumed rate of return on investments	2016: 6.5%; 2015: 6.5%; 2014:6.5%
Mortality basis	2016: RP-2014 generational no collar mortality table rolled back to 2006 and projected with mortality improvements based on Scale MP-2016. 2015: RP2014 Generational Mortality no collar with mortality improvements based on Scale AA 2014: RP2014 Generational Mortality no collar with mortality improvements based on Scale AA
Retirement age	2016: 50% retirement ages 65-66, 30% ages 67-69, 100% age 70 and over 2015: 50% retirement ages 65-66, 30% ages 67-69, 100% age 70 and over 2014 : 50% retirement ages 65-69, 100% age 70 and over

Plan assumption changes reflected in the valuation as of December 31, 2016 relate to changes in mortality assumption as shown above. Plan assumption changes reflected in the valuation as of December 31, 2015 relate to changes in the retirement age assumption as shown above.

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

(Continued)

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from those estimates. It is reasonably possible that a significant change may occur in the near term for the estimate of the actuarial present value of accumulated plan benefits.

Valuation of Investments and Investment Income: The Plan's investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

Registered investment company: The fair value of the registered investment company is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Collective trust funds: Fair values of units of collective trust funds are based upon the net asset values of the funds reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. Each collective trust provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement.

(Continued)

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The methods described above 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.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31,	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Total
<u>2016</u>		
Investments, at estimated fair value		
Registered investment company		
Money market fund	\$ 1,976,550	\$ 1,976,550
Collective trust funds*	-	600,541,668
	<u> </u>	<u> </u>
Total	<u>\$ 1,976,550</u>	<u>\$ 602,518,218</u>
<u>2015</u>		
Investments, at estimated fair value		
Registered investment company		
Money market fund	\$ 2,000,000	\$ 2,000,000
Collective trust funds*	-	569,320,048
	<u> </u>	<u> </u>
Total	<u>\$ 2,000,000</u>	<u>\$ 571,320,048</u>

* Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the hierarchy tables for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statements of net assets available for benefits.

Risks and Uncertainties: The Plan invests in various securities which are exposed to various risks, such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

(Continued)

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plan contributions are made and the actuarial present value of accumulated plan benefits are prepared 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 estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Payment of Benefits: Benefit payments to participants are recorded when paid.

Plan Expenses: Certain expenses related to the operation and administration of the Plan are paid by the Company. Expenses paid by the Company on behalf of the Plan for the years ended December 31, 2016 and 2015 were \$820,119 and \$1,154,440, respectively.

401(h) Accounts: As a result of the merger of the Seco Tools, LLC Employees' Pension Plan, effective May 1, 2014, the Plan includes medical-benefit components in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A 401(h) account has been established and maintained under the Plan for the net assets related to the medical-benefit component. In accordance with IRC Section 401(h), the Plan investments in the 401(h) accounts may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the plan year must be transferred out of the 401(h) account to the pension plan. The related obligations for health benefits are not included in the Plan's obligations in the Statement of Accumulated Plan Benefits, but are reflected as obligations in the financial statements of the health and welfare benefit plan. In 2015, all assets in the Plan's 401(h) accounts were disbursed, and there is no balance in the Plan's 401(h) accounts at December 31, 2015.

NOTE 3 - FUNDING POLICY

The Company's funding policy is to make contributions to the Plan in amounts that are sufficient to fully provide for all of the employees' benefits in accordance with the pension benefits described above by the time they retire. The Plan has met the minimum funding requirements established by ERISA for the years ended December 31, 2016 and 2015.

NOTE 4 - UNAUDITED INFORMATION - CERTIFIED INVESTMENTS

Substantially all information pertaining to the Plan's investments included in the financial statements, including the associated investment income (loss), was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by The Bank of New York Mellon/BNY Mellon, N.A., the trustee of the Plan. This information has not been audited by independent accountants.

(Continued)

NOTE 5 - PARTICIPANTS' RIGHTS UPON PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. In the event the Plan terminates, the net assets of the Plan will be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

However, there is a statutory ceiling, which is adjusted periodically, on the maximum amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 6 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor's regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer, and certain others. Amounts paid by the Plan to parties-in-interest included fees paid for investment management. The Plan held investment interests in a registered investment company and collective trust funds. Mercer Investment Management is a fiduciary and investment manager of the Plan, and is the issuer of most of the investments held by the Plan as of December 31, 2016 and 2015. Accordingly, these investments qualify as party-in-interest investments. Certain professional and administrative fees related to the operation of the Plan were paid by the Company, as detailed in Note 2.

NOTE 7 - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated May 2, 2014 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, Plan management believes the Plan is currently designed and is operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement dates.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 8 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 10, 2017, which is the date the financial statements were available to be issued.

Schedule SB, line 26 — Schedule of Active Participant Data**Sandvik Pension Plan – Total**

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up
Under 25										
25-29			2	1						
30-34			13	27 76,592	1					
35-39		1	22 79,011	41 73,207	19					
40-44		1	20 71,842	74 76,064	56 87,837	7	1			
45-49		1	42 91,118	115 73,748	80 82,562	19	5			
50-54			43 86,528	128 74,756	103 86,215	21 102,090	17	4		
55-59			25 87,489	135 80,895	102 82,016	31 101,142	29 112,659	15	6	
60-64			15	74 78,260	75 74,138	13	23 106,146	10	5	6
65-69			5	14	17	2	2	3	2	
70 & up				1	3					

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2015 limited to \$265,000. Average pay is not shown for cells with fewer than 20 participants.

Sandvik Pension Plan – Sandvik, Inc. Only

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up
Under 25										
25-29			2	1						
30-34			13	27 76,592	1					
35-39		1	21 81,052	41 73,207	19					
40-44		1	20 71,842	74 76,064	54 88,150	5	1			
45-49		1	41 92,290	113 74,277	79 82,491	16	5			
50-54			43 86,528	128 74,756	100 87,481	16	17	4		
55-59			24 89,410	134 81,185	102 82,016	26 109,233	29 112,659	15	6	
60-64			15	74 78,260	74 74,412	11	23 106,146	10	5	6
65-69			5	14	17	2	2	3	2	
70 & up				1	3					

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2015 limited to \$265,000. Average pay is not shown for cells with fewer than 20 participants.

Sandvik Pension Plan – PEXCO Only

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up
Under 25										
25-29										
30-34										
35-39			1							
40-44					2	2				
45-49			1	2	1	3				
50-54					3	5				
55-59			1	1		5				
60-64					1	2				
65-69										
70 & up										

In each cell, the number is the count of active participants for each age/service combination. Average pay is not shown for plans with fewer than 1,000 active participants or cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2016 Funding Valuation****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment	
• Look-back months	4	
•	Stabilized	Nonstabilized
• First 5 years	4.43%	1.34%
• Next 15 years	5.91%	4.03%
• Over 20 years	6.65%	5.06%

Mortality sponsor elections

- Healthy and disabled participants Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.

Other economic assumptions

• Salary increases	Age	Rate
	21	7.40%
	25	6.50%
	35	4.30%
	45	2.90%
	55	2.60%
	60	2.50%
• Social Security wage base – Seco Tools	3.25% per year	
• Inflation	2.50% per year	
• Expected investment return	7.00% per year for 2014, 6.50% per year for 2015 and 2016	
• Expenses	\$450,000 added to current year normal cost	

Rationale for Material Economic Assumptions

- Salary increases – Based on actual plan experience and the expectation that the future salary increase patterns and circumstances of the employer will not differ significantly from the period studied. The assumption is reviewed annually for reasonability.
- Expected investment return – The expected rate of return on plan assets is based on a blend of the hypothetical past performance of the plan's current target asset mix, adjusted for

current market conditions, and the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's current target asset mix.

- Expenses – Expense load determined based on expectations of the next 12 months.

Demographic assumptions

• Withdrawal	See table of sample rates.		
• Disability Incidence – Sandvik (excluding Seco)	Class 1 table developed from the 1985 study performed by the Conference of Consulting Actuaries (sex-distinct). See table of sample rates.		
• Disability Incidence – Seco	N/A		
• Retirement age	See table of sample rates.		
• Benefit commencement age – Sandvik (excluding Seco)			
— Future vested deferred	60		
— Current vested deferred	60		
• Benefit commencement age – Seco			
— Future vested deferred	65		
— Current vested deferred	65		
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>	
— Percentage married	80%	80%	
— Spouse age difference	3 years younger	3 years older	

Form of payment – Sandvik (excl. Seco)	<u>Single Life</u>	<u>10 Year C&L</u>	<u>50% J&S</u>	<u>100% J&S</u>
• Active retirements	50%	10%	15%	25%
• Future vested deferred	50%	10%	15%	25%
• Future disabilities	50%	10%	15%	25%
• Future deaths	0%	0%	100%	0%
• Current vested deferred	50%	10%	15%	25%

Form of payment – Seco	<u>5 year C&L</u>	<u>100% J&S</u>
• Active retirements	100%	0%
• Future vested deferred	100%	0%
• Future deaths	0%	100%
• Current vested deferred	100%	0%

Unpredictable contingent event assumptions	Not applicable.
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**Actuarial Assumptions for PBGC 4044 Plan Termination Liability
Where Different from Funding**

Economic assumptions	
• Interest rate	2.82% for the first 20 years and 2.95% thereafter
Mortality assumptions	
• Healthy and disabled participants	PBGC prescribed healthy mortality for 2016

Table of Sample Rates

Withdrawal ¹	
Age	Rate
21	7.50%
25	7.50%
35	6.25%
45	3.75%
55	1.50%
60	1.50%

Disability Incidence		
Age	Male	Female
21	0.030%	0.032%
25	0.038%	0.047%
35	0.069%	0.136%
45	0.202%	0.323%
55	0.722%	0.952%
60	1.256%	1.159%

¹ Prior to retirement eligibility of age 55 and 5 years of service.

Retirement		
Age	Standard	Rule of 90 ²
55	3.00%	N/A
56	4.00%	N/A
57	4.00%	N/A
58	4.00%	N/A
59	3.00%	N/A
60	7.00%	12.00%
61	9.00%	14.00%
62	19.00%	24.00%
63	17.00%	22.00%
64	13.00%	18.00%
65	50.00%	50.00%
66	50.00%	50.00%
67	30.00%	30.00%
68	30.00%	30.00%
69	30.00%	30.00%
70	100.00%	100.00%

Rationale for Demographic Assumptions

- Withdrawal and Retirement - Rates were updated based on an analysis of plan experience and future expectations. The rates were developed based on an experience review using plan experience from 2011 to 2014.
- Forms of payment – Rates are based on an analysis of recent plan experience and are reviewed periodically.

² Corresponds to participants (excluding Seco Tools) who are at least age 60 and for which the sum of their age and vesting service is greater than or equal to 90.

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

The allocation of assets for PEXCO for funding purposes was based on the PBGC 4044 plan termination liability as of January 1, 2016.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.

- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Sandvik Pension Plan

EIN: 22-1717737 PN: 004

2016 Form 5500, Line A - Multiple-Employer Plan Participating Employer Information

<u>(a) Name of Participating Employer</u>	<u>(b) Employer Identification Number</u>	<u>(c) Percentage of Total Contributions</u>
Sandvik, Inc.	22-1717737	100%
Pennsylvania Extruded Tube Co. ("PEXCO")	23-2685343	0%

SANDVIK PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Year ended December 31, 2016

Name of Plan Sponsor: Sandvik, Inc.
Employer identification Number: 22-1717737
Plan Number: 004

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category 1 - Single Transaction in Excess of 5% of Plan Assets								
Mercer US Small/Mid Cap Growth Equity Fund	Collective Trust Funds	\$ 32,702,401	\$ -	\$ -	\$ -	\$ 32,702,401	\$ 32,702,401	\$ -
Mercer US Small/Mid Cap Value Equity Fund	Collective Trust Funds	-	32,702,401	-	-	29,919,233	32,702,401	2,783,168
Category 3 - Series of Transactions in Excess of 5% of Plan Assets								
Dreyfus Funds Management	Dreyfus Treasury Prime Cash	\$ 58,328,150	\$ -	\$ -	\$ -	\$ 58,328,150	\$ 58,328,150	\$ -
Dreyfus Funds Management	Dreyfus Treasury Prime Cash	-	58,351,600	-	-	58,351,600	58,351,600	-
Mercer US Small/Mid Cap Growth Equity Fund	Collective Trust Funds	35,618,846	-	-	-	35,618,846	35,618,846	-
Mercer US Small/Mid Cap Growth Equity Fund	Collective Trust Funds	-	7,377,141	-	-	6,321,634	7,377,141	1,055,506

See independent auditor's report.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

► **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 SANDVIK PENSION PLAN	B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SANDVIK, INC.	D Employer Identification Number (EIN) 22-1717737	
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>2016</u>				
2 Assets:				
a Market value.....			2a	590,485,336
b Actuarial value.....			2b	613,185,329
3 Funding target/participant count breakdown		(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....		3,298	212,070,505	212,070,505
b For terminated vested participants.....		1,536	77,217,394	77,217,394
c For active participants.....		1,477	165,376,628	175,238,676
d Total.....		6,311	454,664,527	464,526,575
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	6.13%
6 Target normal cost.....			6	13,480,828

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	 Signature of actuary	<u>10/05/2017</u> Date 1706311
AIKAZ MAKAROVSKIY Type or print name of actuary		Most recent enrollment number 212-345-7685
MERCER Firm name		Telephone number (including area code)
1166 AVENUE OF THE AMERICAS NEW YORK NY 10036 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, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2016
v. 160205**

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	11,145,471	38,097,286
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	11,145,471	38,097,286
10	Interest on line 9 using prior year's actual return of <u>-1.52%</u>	-169,411	-579,079
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		18,027,733
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.31%</u>		1,137,550
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		19,165,283
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	10,976,060	37,518,207

Part III Funding Percentages			
14	Funding target attainment percentage	14	121.56%
15	Adjusted funding target attainment percentage	15	132.00%
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	123.57%
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
09/13/2017	20,000,000	0			
Totals ►			18(b)	20,000,000	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	18,077,589

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
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	0
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	13,480,828	
b Excess assets, if applicable, but not greater than line 31a	31b	13,480,828	
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		
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	0	0
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	18,077,589	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	18,077,589	
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		

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Sandvik Pension Plan
Fair Lawn, New Jersey

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Sandvik Pension Plan, which comprise the statements of net assets available for benefits and statements of accumulated plan benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits and statements of changes in accumulated plan benefits for the years then ended, 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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 of America. 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 information summarized in Note 4, which was certified by The Bank of New York Mellon/BNY Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the trustee as of December 31, 2016 and 2015, and for the years then ended that the information provided to the plan administrator by the trustee is complete and accurate.

(Continued)

Disclaimer of Opinion

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.

Other Matter

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Line 4j - Schedule of Reportable Transactions as of and for the year ended December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America 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.

Crowe Horwath LLP

Crowe Horwath LLP

New York, New York
October 10, 2017

Schedule SB, Line 2a — Allocation of Market Value of Assets

For purposes of the allocation of the market value of assets to PEXCO, since the PBGC Section 4044 plan termination liability for PEXCO is less than 3% of the total market value of assets, the allocated market value of assets for PEXCO was set equal to PEXCO's plan termination liability using PBGC safe harbor assumptions.

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	3.00%	1,000	30	1,650
56	4.00%	970	39	2,184
57	4.00%	931	37	2,109
58	4.00%	894	36	2,088
59	3.00%	858	26	1,534
60	7.00%	832	58	3,480
61	9.00%	774	70	4,270
62	19.00%	704	134	8,308
63	17.00%	570	97	6,111
64	13.00%	473	61	3,904
65	50.00%	412	206	13,390
66	50.00%	206	103	6,798
67	30.00%	103	31	2,077
68	30.00%	72	22	1,496
69	30.00%	50	15	1,035
70	100.00%	35	35	2,450
Total			1,000	62,884
Average				62.88

For participants eligible for Rule of 90, the average retirement age is 62.

Schedule SB - Information for Each Individual Employer

Line	Description	Total	Sandvik, Inc.	Pexco
EIN			22-1717737	23-2685343
Part 1 - Basic Information				
1)	Valuation date	01/01/2016	01/01/2016	01/01/2016
2)	Assets:			
	a) Market value	590,485,336	578,202,542	12,282,794
	b) Actuarial value	613,185,329	601,230,172	11,955,157
3)	Funding target breakdown			
	a) For retired participants and beneficiaries receiving payment	212,070,505	209,833,819	2,236,686
	b) For terminated vested participants	77,217,394	75,372,703	1,844,691
	c) For active participants:			
	(1) Non-vested benefits	9,862,048	9,618,911	243,137
	(2) Vested benefits	165,376,628	162,603,464	2,773,164
	(3) Total active	175,238,676	172,222,375	3,016,301
	d) Total	464,526,575	457,428,897	7,097,678
4)	At-risk status	N/A	N/A	N/A
5)	Effective interest rate	6.13%	6.13%	6.21%
6)	Target normal cost	13,480,828	13,270,449	210,379
Part 2 - Beginning of Year Carryover Prefunding Balances				
Column (a) - Carryover Balance				
7)	Carryover balance at beginning of prior year	11,145,471	11,145,471	0
8)	Portion used in prior year	0	0	0
9)	Amount remaining	11,145,471	11,145,471	0
10)	Interest on item 9	(169,411)	(169,411)	0
11)	Prior year's excess contributions	N/A	N/A	N/A
12)	Reduction in balances due to elections or deemed elections	0	0	0
13)	Carryover balance at beginning of current year	10,976,060	10,976,060	0
Column (b) - Prefunding Balance				
7)	Prefunding balance at beginning of prior year	38,097,286	38,097,286	0
8)	Portion used in prior year	0	0	0
9)	Amount remaining	38,097,286	38,097,286	0
10)	Interest on item 9	(579,079)	(579,079)	0
11)	Prior year's excess contributions			
	a) Present Value	18,027,733	18,027,733	0
	b) Interest on (a) using prior year's effective interest rate 6.31%	1,137,550	1,137,550	0
	c) Total available at beginning of current year	19,165,283	19,165,283	0
	d) Portion of (c) to be added	0	0	0
12)	Reduction in balances due to elections or deemed elections	0	0	0
13)	Prefunding balance at beginning of current year	37,518,207	37,518,207	0
Part 3 - Funding Percentages				
14)	Funding target attainment percentage	121.56%	120.83%	168.43%
15)	Adjusted funding target attainment percentage	132.00%	131.43%	168.43%
16)	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	123.57%	122.73%	179.33%
17)	If the current value of the assets of the plan is less than 70% of the funding target, enter such percentage			

Schedule SB - Information for Each Individual Employer

Line	Description	Total	Sandvik, Inc.	Pexco
Part 4 - Contributions and liquidity shortfalls				
18)	Contributions made to the plan	0	0	0
	a) Date			
	9/13/2017	20,000,000	20,000,000	0
	b) Total Amount	20,000,000	20,000,000	0
19)	a) Contributions allocated toward unpaid minimum required contribution from prior years	0	0	0
	b) Contributions made to avoid restrictions adjusted to valuation date	0	0	0
	c) Contributions allocated toward minimum required contribution for current year adjusted to valuation date	18,077,589	18,077,589	0
20)	a) Did the plan have a "funding shortfall" for the prior year?	No	No	No
	b) If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?			
	c 1)	0	0	0
	c 2)	0	0	0
	c 3)	0	0	0
	c 4)	0	0	0
Part 5 - Assumptions Used to Determine Funding Target and Target Normal Cost				
21)	a) Segment rates	4.43/5.91/6.65	4.43/5.91/6.65	4.43/5.91/6.65
	b) Applicable month	4	4	4
22)	Weighted average retirement age	63	63	63
23)	Mortality table	Prescribed - separate	Prescribed - separate	Prescribed - separate
Part 6 - Miscellaneous Items				
24)	Has a change been made in the non-prescribed actuarial assumptions for the current plan year?	Yes	Yes	Yes
25)	Has a method change been made for the current plan year?	No	No	No
26)	Is the plan required to provide a Schedule of Active Participants?	Yes	Yes	Yes
27)	N/A			
Part 7 - Reconciliation of Unpaid Minimum Required Contributions for Prior Years				
28)	years	0	0	0
29)	Line 19a	0	0	0
30)	Line 28 minus line 29	0	0	0
Part 8 - Minimum Required Contribution for Current Year				
31)	a) Target normal cost, adjusted, if applicable	13,480,828	13,270,449	210,379
	b) Excess Assets	13,480,828	13,270,449	210,379
32)	a) Net shortfall amortization installment			
	Outstanding Balance	0	0	0
	Installment	0	0	0
	b) Waiver amortization installment			
	Outstanding Balance	0	0	0
	Installment	0	0	0
33)	Waiver	N/A	N/A	N/A
34)	Total funding requirement before reflecting carryover/prefunding balances	0	0	0
35)	Carryover/prefunding balances used to offset funding requirement	0	0	0
36)	Additional cash requirement (line 34 minus 35)	0	0	0
37)	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	18,077,589	18,077,589	0
38)	a) Total Interest-adjusted excess contributions for current year	18,077,589	18,077,589	0
	b) Portion attributable to PFB or COB	0	0	0
39)	Unpaid minimum required contribution for current year	0	0	0
40)	Unpaid minimum required contribution for all years	0	0	0
Part 9 - Pension Funding Relief Under Pension Relief Act of 2010				
41)	Election	N/A	N/A	N/A
42)	Acceleration adjustment amount	N/A	N/A	N/A
43)	Excess installment acceleration amount to future plan years	N/A	N/A	N/A

Schedule SB, Part V — Summary of Plan Provisions**Sandvik (excluding Seco)****Summary of Major Plan Provisions**

Effective date and plan year	Original plan: March 1, 1944 Restated plan: January 1, 2009 Plan year: 2016 calendar year
Status of the plan	The plan has ongoing benefit accruals, but new employees are not eligible to participate in the plan.
Significant events that occurred during the year	None
Definitions	
• Covered employees	All employees of Sandvik, Inc., or its participating employers, hired or rehired prior to January 1, 2007, with the exception of the following: <ul style="list-style-type: none"> • Leased employee • Non-common law employee • Member of a non-participating collective bargaining unit
• Participation	An employee hired by the company after December 31, 2006 shall not be eligible to participate in the Plan. Rehired employees who return to work prior to incurring a one year break in service shall resume participation as a member in the plan. Brier Hill union employees benefits are frozen.
• Employee contributions	None
• Credited service	Calendar month during which an employee: <ul style="list-style-type: none"> • Receives pay • Is on an approved leave of absence for a period not exceeding 6 consecutive months • Is on an unpaid leave of absence or lay-off for a period not to exceed 12 months • Has been awarded back pay • Is on leave for qualified military service • Is totally and permanently disabled



• Pensionable earnings	Employees' total pay as a member during each calendar year, including annual salary, formula bonus, guaranteed bonus, commissions, overtime pay, and shift premiums, but excluding special pay such as severance pay, discretionary bonuses and accrued vacation paid at severance. Pensionable earnings are limited to the IRC Section 401(a)(17)(B) limits.
• Final average earnings	Annual average compensation during the 5 consecutive calendar years that produce the highest average in the last 10 complete calendar years of credited service. If a member had compensation during fewer than 5 complete calendar years, annual average is calculated for the number of complete calendar years during which he had compensation.
• Accrued benefit	Benefit earned to any date, computed based on a member's Final Average Compensation and Credited Service as of that date and payable at Normal Retirement Date but before optional forms of payment or early retirement adjustments.
Normal retirement	
• Eligibility	Attainment of age 65 and 5 years of vesting service
• Benefit	A monthly amount at normal retirement equal to 1.5% of Final Average Compensation multiplied by Credited Service, divided by 12.
Early retirement	
• Eligibility	Attainment of age 55 and 5 years of vesting service
• Benefit	Accrued Benefit payable at normal retirement reduced by $\frac{1}{4}$ of 1% for each month the member's commencement date precedes his or her normal retirement date. No reduction if member is at least 60 and sum of age plus Vesting Service is greater than or equal to 90.
Late retirement	
• Eligibility	Any time after a member's normal retirement date.
• Benefit	Accrued Benefit calculated as for normal retirement, recognizing compensation and Credited Service after Normal Retirement Age
Deferred vested	
• Eligibility	Completion of 5 years of vesting service

• Benefit	Vested Accrued Benefit based on Final Average Compensation at termination, payable at age 65. The member can elect to receive a reduced benefit after attainment of age 55. Effective January 1, 2000, if a participant terminated before early retirement eligibility, the early retirement reduction for deferred vested participants is $\frac{1}{2}$ of 1% for each month the member's commencement date precedes his or her normal retirement date (previously was $\frac{1}{4}$ of 1%).
Death	
• Eligibility	Must be vested
• Benefit	A monthly benefit payable to the surviving spouse equal to the survivor portion as if a 50% Joint & Survivor annuity were elected. The benefit is further reduced for commencement prior to age 65. The benefit is payable as of the first day of the month on or after the later of the member's date of death or the date the member would have attained age 55.
Form of benefits	
• Automatic form for unmarried participants	Life annuity
• Automatic form for married participants	50% Joint and Survivor annuity
• Optional forms	<ul style="list-style-type: none"> • 100% Joint and Survivor annuity • 75% Joint and Survivor annuity • 10 year Certain and Life • Lump sum if value is less than \$15,000
Actuarial Equivalence	
• Actuarial Equivalence for Alternative Forms of Payment	Based on the interest rate prescribed under section 417(e)(3)(C) of the Code as of November 2014 and mortality table prescribed under section 417(e)(3)(B) of the Code for distributions in 2015.
• Actuarial Equivalence to convert Life Annuity to Lump Sum	Based on applicable 417(e) interest rates for November preceding the plan year and the applicable 417(e) mortality table
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2016, the limit is \$265,000
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2016, the limit is \$210,000.

Lump Sum Windows

- | | |
|--|---|
| <ul style="list-style-type: none">• 2013 | A plan amendment effective June 1, 2013 allowed vested deferred participants who terminated before January 1, 2013 and whose benefit has a present value between \$15,000 and \$50,000 to elect to receive their benefit as a lump sum within the period starting June 24, 2013 and ending August 23, 2013. |
| <ul style="list-style-type: none">• 2014 | A plan amendment effective July 1, 2014 allowed certain vested deferred participants who terminated before January 1, 2014 to receive their benefit as a lump sum payment. The participants with a present value of benefits between \$50,000 and \$100,000 can elect to receive their benefit as a lump sum within the period starting July 14, 2014 and ending September 12, 2014. In addition, the participants with a present value of benefits between \$15,000 and \$50,000 who were not included in a similar offering in the year 2013 can elect to receive their benefit as a lump sum within the period starting August 15, 2014 and ending October 14, 2014. |
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Seco**Summary of Major Plan Provisions**

Effective date and plan year	Original plan: October 1, 1987 Amended plan: January 1, 2014 Plan year: January 1 through December 31
Status of the plan	The plan has ongoing benefit accruals. Participation was frozen July 1, 2007 (July 16, 2007 for employees covered by a collective bargaining agreement).
Definitions	
• Covered employees	All employees excluding those hired on or after July 1, 2007 (July 16, 2007 for employees covered by a collective bargaining agreement), individuals not treated as common law employees by the Company, and leased employees. The plan was closed to new entrants as of July 1, 2007 (July 16, 2007 for employees covered by a collective bargaining agreement).
• Participation	Participation begins on first day of the month coinciding with or next following the date as of which the participant completes a year of eligible service, provided that the employee is an eligible employee.
• Vesting service	Calendar years with at least 1,000 hours of service. For former GE employees, service prior to September 26, 1987 is included.
• Credited service	Calendar years during which the employee is considered a Participant
• Pensionable earnings	Total wages, including overtime, sales commission, night shift bonus, lump sum amounts in lieu of merit or general salary increases, and compensation for paid absences, as well as Section 125, 132(f)(4) or 401(k) deferrals. Bonuses, incentive compensation, layoff benefits, reimbursed expenses, noncash compensation, or other special compensation are excluded. Only compensation received while a participant is included, unless credited under the Union Plan and the Union accrued benefit was transferred/merged into this plan. Compensation for periods of Disability is assumed to continue at the annual rate of base salary in effect at disability, until earlier of normal retirement date, death, early retirement, or date that disability ends. The \$200,000 pay limit is not applied retroactively for plan years prior to 2002.

<ul style="list-style-type: none">Covered Compensation	For any calendar year, the covered compensation amount for integration with Social Security Benefits applicable to a person attaining Social Security Retirement Age during such calendar year.		
Normal retirement			
<ul style="list-style-type: none">Eligibility	First day of month coincident with or following the date on which the Participant has attained age 65.		
<ul style="list-style-type: none">Benefit	The greater of i) and ii) <div>(i) 1/12 times 1.31% of Compensation plus 1/12 times 1.96% of Compensation in excess of Covered Compensation for each calendar year not in excess of 35 years. (ii) Accrued Benefit under Union Plan</div>		
Early retirement			
<ul style="list-style-type: none">Eligibility	Age 60 and 10 Years of Service		
<ul style="list-style-type: none">Benefit	Accrued benefit, actuarially reduced for commencement prior to age 65 based on the table below (prorated for immediate ages computed to the nearest whole month)		
	Age at Commencement	Factors (Union and employed on/after 1/1/2002)	Otherwise
	65	100.0%	100.0%
	64	92.3	92.3
	63	84.6	84.6
	62	80.0	76.9
	61	73.1	73.1
	60	69.2	69.2
Late retirement			
<ul style="list-style-type: none">Eligibility	Retirement after Normal Retirement Date		
<ul style="list-style-type: none">Benefit	For distributions on or after 1/1/2008, greater of continued accruals, or actuarially increased normal retirement benefit		
Deferred Vested			
<ul style="list-style-type: none">Eligibility	Completion of 5 years of vesting service		
<ul style="list-style-type: none">Benefit	Vested Accrued Benefit based on accrued benefit at termination, payable at age 65. The member can elect to receive a reduced benefit after attainment of age 60, subject to early retirement reduction if prior to age 65.		
Disability			
<ul style="list-style-type: none">Eligibility	Determined by Administrative Committee		



• Benefit	Continued accruals until earlier of normal retirement, early retirement, death, or date of disability ends.
Special Retirement Bonus	
• Eligibility	Retirement from active service on or after October 1, 1994. Collectively bargained employees must also have 10 years of service and, if hired prior to July 10, 1997, must have not attained age 60 on December 31, 2005.
• Benefit	1/12 times \$45 times Vesting Service
	If commencing on or after normal retirement age, only payable as Single Life Annuity.
	If commencing prior to normal retirement age, an actuarially equivalent amount is payable until earlier of age 65 or death.
Pre-retirement death	
• Eligibility	Spouse of participant with a vested benefit at date of death.
• Benefit prior to early retirement	The survivor portion of the benefit payable if the participant retired on the first day eligible and had elected the 100% Joint and Survivor option.
• Benefit after early but before normal retirement	The survivor portion of the benefit payable as if the participant had retired immediately prior to death and elected the 100% Joint and Survivor option.
• Benefit after normal retirement	The survivor portion of the benefit payable as if the participant had retired immediately prior to death and elected the 100% Joint and Survivor option.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity with 5 Years Certain
• Automatic form for married participants	100% Joint and Survivor Annuity
• Optional forms	Single Life Annuity, Single Life Annuity with 10 Years Certain, 50% Joint and Survivor Annuity, 100% Joint and Survivor Annuity
• Optional form conversion factors	UP-1994 Mortality table for males set forward 1 year and 6.5% interest

Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2016, the limit is \$265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2016, the limit is \$210,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended through January 1, 2016, are included in this valuation.

- **Most recent plan amendments included:** A plan amendment effective January 1, 2015 updated the optional form factors to use actuarial equivalence based on the November 2014 417(e) interest rates (1.40% for the first 5 years, 3.88% for the next 15 years and 4.96% thereafter) and the mortality table as mandated by Internal Revenue Code Section 417(e) for distributions in 2015.
- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the end of the plan year are excluded from the valuation.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to legacy Sandvik participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. Legacy Seco participants receive the greater of continued accruals, or actuarially increased normal retirement benefit.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan Provisions Specific to Funding

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* No amendments were restricted by IRS Section 436.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

- § Optional form factors were updated to use actuarial equivalence based on the November 2014 417(e) interest rates (1.40% for the first 5 years, 3.88% for the next 15 years and 4.96% thereafter) and the mortality table as mandated by Internal Revenue Code Section 417(e) for distributions in 2015.

SANDVIK PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2016

Name of Plan Sponsor:	<u>Sandvik, Inc.</u>
Employer identification Number:	<u>22-1717737</u>
Plan Number:	<u>004</u>

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, borrower, <u>Lessor or Similar Party</u>	Description of Investment Including Maturity Date, Rate of Interest, <u>Collateral, Par or Maturity Value</u>	<u>Cost</u>	<u>Current Value</u>
		Value of Interest in Collective Trust Funds		
*	Mercer	US Small-Mid Cap Growth Fund	\$ 57,063,278	\$ 67,186,054
*	Mercer	Non-US Core Equity Fund	52,359,356	55,824,127
*	Mercer	Long Duration Fund	156,751,836	168,674,214
*	Mercer	Global Low Volatility Fund	26,958,230	31,466,868
*	Mercer	US Large Cap Core Fund	122,690,176	151,420,873
*	Mercer	Core Passive Fixed Fund	43,139,103	44,332,223
	State Street Global Advisors	Emerging Markets Index Fund	32,067,745	30,137,999
	State Street Global Advisors	US Long Government Bond Index Fun	49,766,981	51,499,310
				<u>600,541,668</u>
		Value of Interest in Registered Investment Company		
	Dreyfus Funds	Dreyfus Treasury Prime Cash Management	1,976,550	<u>1,976,550</u>
				<u>\$ 602,518,218</u>

* Denotes a party-in-interest.

See independent auditor's report.

Schedule SB, Line 24 — Changes in Actuarial Assumptions

The following non-prescribed actuarial assumptions were changed since the previous valuation:

- Withdrawal and retirement rates were updated based on an analysis of plan experience and future expectations. The rates were developed based on an experience review undertaken last year using plan experience from 2011 to 2014.
- Seco Tools' salary increase assumption has been updated to align with the Sandvik assumption.
- The expense component of normal cost increased from \$100,000 to \$450,000 to reflect our expectations for the current plan year.