

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</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 ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>SANDVIK PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>004</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1980</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>004</u>	1c Effective date of plan <u>01/01/1980</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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>22-1717737</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>201-794-5015</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>332900</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	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>	
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.	10/13/2018	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

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

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 6015
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) 1313
a(2) Total number of active participants at the end of the plan year	6a(2) 1153
b Retired or separated participants receiving benefits	6b 3004
c Other retired or separated participants entitled to future benefits	6c 1311
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 5468
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 466
f Total. Add lines 6d and 6e	6f 5934
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 who 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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 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 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
▶ 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>2017</u>	
2 Assets:	
a Market value	2a <u>621704300</u>
b Actuarial value	2b <u>628052027</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>3401</u> (2) Vested Funding Target <u>234517215</u> (3) Total Funding Target <u>234517215</u>
b For terminated vested participants	<u>1327</u> <u>65343108</u> <u>65343108</u>
c For active participants	<u>1313</u> <u>172339300</u> <u>181977864</u>
d Total	<u>6041</u> <u>472199623</u> <u>481838187</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>5.93 %</u>
6 Target normal cost	6 <u>12779199</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>AIKAZ MAKAROVSKIY</u>	<u>10/11/2018</u> Date
Type or print name of actuary <u>MERCER</u>	<u>17-06311</u> Most recent enrollment number
Firm name <u>1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036</u>	<u>212-345-7685</u> Telephone number (including area code)
Address of the firm	

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)	10976060	37518207
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)	10976060	37518207
10 Interest on line 9 using prior year's actual return of <u>8.47</u> %	929672	3177792
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		18077589
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>6.13</u> %		1108156
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		19185745
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	11905732	40695999

Part III Funding Percentages

14 Funding target attainment percentage	14	119.42%
15 Adjusted funding target attainment percentage	15	130.34%
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	123.92%
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
09/13/2018	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	18135604

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: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ 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	12779199	
b Excess assets, if applicable, but not greater than line 31a	31b	12779199	
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	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	18135604	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	18135604	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
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 ☐	1406000	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	408819	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2017</div> This Form is Open to Public Inspection.
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

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>65053685</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>200472413</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>63624850</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>60895190</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>35234066</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>56951865</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>154487980</u>	

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) 48873988
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a Name of MTIA, CCT, PSA, or 103-12 IE: **MERCER EMERGING MARKETS EQUITY PORT**

b Name of sponsor of entity listed in (a): **MERCER**

c EIN-PN 32-6219484-017	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14340803
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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
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**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (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>	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 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
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	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	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)	337	940
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)	600541668	699934841
	(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)	1976550	2400100
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(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	622518555 722335881
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	622518555 722335881

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	20012791
	(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)	20012791
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)	6297
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	6297
(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)	102721338
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	102721338

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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		122740426

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	23625478	
(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)		23625478
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)	408819	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	415035	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		823854
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		24449332

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		98291094
l Transfers of assets:			
(1) To this plan.....	2l(1)		1526232
(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 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.)		X	
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.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		3000000
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?		X	
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?		X	
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?		X	
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.)	X		
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.)	X		
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
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			

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

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 4085383. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
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	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
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): 23-2890788		
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 6
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No ☒ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☒ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No		
11 a Does the ESOP hold any preferred stock? Yes No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) Yes No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? Yes No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stock: 55.0% Investment-Grade Debt: 44.0% High-Yield Debt: _____% Real Estate: _____% Other: 1.0%

- 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):

SANDVIK PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Investments, at fair value	\$ 702,334,941	\$ 602,518,218
Receivables		
Employer contribution	20,000,000	20,000,000
Accrued income	<u>940</u>	<u>337</u>
 Total assets	 <u>722,335,881</u>	 <u>622,518,555</u>
 Net assets available for benefits	 <u><u>\$ 722,335,881</u></u>	 <u><u>\$ 622,518,555</u></u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions to net assets attributed to		
Net appreciation in fair value of investments	\$ 102,721,338	\$ 49,322,316
Interest income	6,297	1,518
Employer contribution	<u>20,012,791</u>	<u>20,000,000</u>
Total additions	<u>122,740,426</u>	<u>69,323,834</u>
Deductions from net assets attributed to		
Administrative expenses	823,854	498,758
Benefits paid directly to participants and beneficiaries	<u>23,625,478</u>	<u>37,626,574</u>
Total deductions	<u>24,449,332</u>	<u>38,125,332</u>
Net increase before transfers	98,291,094	31,198,502
Plan Transfers (Note 8)	<u>1,526,232</u>	<u>-</u>
Net increase (decrease)	99,817,326	31,198,502
Net assets available for benefits		
Beginning of year	<u>622,518,555</u>	<u>591,320,053</u>
End of year	<u>\$ 722,335,881</u>	<u>\$ 622,518,555</u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Actuarial present value of accumulated plan benefits (Note 1)		
Vested benefits		
Retired participants and beneficiaries receiving payments	\$ 243,106,594	\$ 228,407,424
Terminated vested participants	70,837,952	63,033,946
Other participants	<u>161,170,265</u>	<u>166,682,377</u>
	475,114,811	458,123,747
 Nonvested benefits	 <u>8,394,911</u>	 <u>9,230,972</u>
 Total actuarial present value of accumulated plan benefits	 <u><u>\$ 483,509,722</u></u>	 <u><u>\$ 467,354,719</u></u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Actuarial present value of accumulated plan benefits at beginning of year	\$ 467,354,719	\$ 463,168,447
Decrease during the year attributable to		
Benefits paid	(23,625,478)	(37,626,574)
Increase during the year attributable to		
Benefits accumulated	11,897,078	15,636,369
Increase for interest due to decrease in discount period	29,546,243	28,781,180
Change in plan provisions (Note 1)	-	729,367
Change due to merger (Note 8)	1,031,975	-
Change in assumptions (Note 1)	<u>(2,694,815)</u>	<u>(3,334,070)</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 483,509,722</u>	<u>\$ 467,354,719</u>

See accompanying notes to financial statements.

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

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 a “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, 2017 and 2016

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, 2017, 2016 and 2015 were:

Assumed rate of return on investments	2017: 6.5%; 2016: 6.5%; 2015:6.5%
Mortality basis	2017: RP-2014 generational no collar mortality table rolled back to 2006 and projected with mortality improvements based on Scale MP-2017. 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.
Retirement age	2017: 50% retirement ages 65-66, 30% ages 67-69, 100% age 70 and over 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

Plan assumption changes reflected in the valuations as of December 31, 2017 and 2016 relate to changes in mortality assumption as shown above. Change due to merger reflects the merger of the Walter USA, LLC Pension Plan into the Plan effective September 30, 2017.

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)

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.

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

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>2017</u>		
Investments, at estimated fair value		
Registered investment company		
Money market fund	\$ 2,400,100	\$ 2,400,100
Collective trust funds*	-	699,934,841
Total	<u>\$ 2,400,100</u>	<u>\$ 702,334,941</u>
<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
Total	<u>\$ 1,976,550</u>	<u>\$ 602,518,218</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, 2017 and 2016

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, 2017 and 2016 were \$802,896 and \$820,119, respectively.

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, 2017 and 2016.

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.

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.

(Continued)

SANDVIK PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

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, 2017 and 2016. 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, 2017 and 2016, 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 2014.

NOTE 8 - PLAN MERGER

Effective September 30, 2017, the Walter USA, LLC Pension Plan was merged into the Plan. As a result of the merger, \$1,526,232 in assets and \$1,031,975 in liabilities were transferred into the Plan.

NOTE 9 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 12, 2018, 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	TOTAL
Under 25											
25–29											
30–34			1	24							25
				73,561							
35–39			7	52	14	1					74
				74,466							
40–44		2	2	58	48	6					116
				76,448	91,482						
45–49			10	121	71	21	3				226
				76,327	87,750	116,560					
50–54			11	141	91	26	16	3			288
				74,999	90,898	92,391					
55–59		1	8	141	110	31	26	16	7		340
				80,278	78,932	107,329	111,502				
60–64			3	70	74	16	19	10	6	4	202
				75,039	87,044						
65–69			2	8	17	4	4	3	2		40
70 & up					1	1					2
Total		3	44	615	426	106	68	32	15	4	1,313
											85,253

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 2016 limited to \$265,000. Average pay is not shown for cells with fewer than 20 participants.

Schedule SB, line 26 — Schedule of Active Participant Data

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	TOTAL
Under 25											
25–29											
30–34			1	24							25
				73,561							
35–39			6	52	14	1					73
				74,466							
40–44		2	2	58	46	5					113
				76,448	92,021						
45–49			10	118	70	17	3				218
				77,153	87,777						
50–54			11	141	89	21	16	3			281
				74,999	91,870	99,710					
55–59		1	8	139	109	27	26	16	7		333
				80,805	79,212	113,974	111,502				
60–64			3	70	73	15	19	10	6	4	200
				75,039	87,498						
65–69			2	8	17	3	4	3	2		39
70 & up					1	1					2
Total		3	43	610	419	90	68	32	15	4	1,284

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 2016 limited to \$265,000. Average pay is not shown for cells with fewer than 20 participants.

Schedule SB, line 26 — Schedule of Active Participant Data

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	TOTAL
Under 25											
25-29											
30-34											
35-39			1								1
40-44					2	1					3
45-49				3	1	4					8
50-54					2	5					7
55-59				2	1	4					7
60-64					1	1					2
65-69						1					1
70 & up											
Total			1	5	7	16					29

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, 2017 FUNDING VALUATION

**DISCOUNT RATE
SPONSOR ELECTIONS**

• Segment rates or full yield curve	Segment		
• Look-back months	4		
	<u>Stabilized</u>	<u>Nonstabilized</u>	
• First 5 years	4.16%	1.52%	
• Next 15 years	5.72%	3.80%	
• Over 20 years	6.48%	4.79%	

Mortality sponsor elections

• All 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.
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Other economic assumptions

• Salary increases	<table> <tr> <th>Age</th><th>Rate</th></tr> <tr><td>21</td><td>7.40%</td></tr> <tr><td>25</td><td>6.50%</td></tr> <tr><td>35</td><td>4.30%</td></tr> <tr><td>45</td><td>2.90%</td></tr> <tr><td>55</td><td>2.60%</td></tr> <tr><td>60</td><td>2.50%</td></tr> </table>	Age	Rate	21	7.40%	25	6.50%	35	4.30%	45	2.90%	55	2.60%	60	2.50%
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	2.50% per year														
• Inflation	2.25% per year														
• Expected investment return	6.50% per year for 2015, 2016 and 2017														
• Expenses	\$500,000 added to current year normal cost														

RATIONALE FOR 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

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

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.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

DEMOGRAPHIC ASSUMPTIONS				
• Withdrawal	See table of sample rates.			
• Disability incidence – Sandvik (excluding Seco Tools)	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 Tools	N/A			
• Retirement age	See table of sample rates.			
• Benefit commencement age – Sandvik (excluding Seco Tools)				
– Future vested deferred	60			
– Current vested deferred	60			
• Benefit commencement age – Seco Tools				
– 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 Tools	<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%		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Unpredictable contingent event assumptions	Not applicable.
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ACTUARIAL ASSUMPTIONS FOR PBGC 4044 PLAN TERMINATION LIABILITY WHERE DIFFERENT FROM FUNDING

The January 2017 PBGC safe harbor assumptions described in PBGC regulation 4044.51-4044.57, which the IRS deems reasonable for spinoff calculations per Treasury regulation Section 1.414(l)-1(b)(5).

ECONOMIC ASSUMPTIONS

• Interest rate	1.87% for the first 20 years and 2.37% thereafter.
• Expenses	The expense load under PBGC regulation section 4044.75

DEMOGRAPHIC ASSUMPTIONS**Mortality**

– Healthy and disabled participants	PBGC prescribed healthy mortality for 2017
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Withdrawal and retirement age	PBGC Expected Retirement Age
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*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Table of Sample Rates - Sandvik**

ATTAINED AGE	PERCENTAGE		
	WITHDRAWAL ¹	DISABILITY INCIDENCE	
		MALE	FEMALE
21	7.50%	0.030%	0.032%
25	7.50%	0.038%	0.047%
35	6.25%	0.069%	0.136%
45	3.75%	0.202%	0.323%
55	1.50%	0.722%	0.952%
60	1.50%	1.256%	1.159%

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

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

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.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

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, 2017.

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.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- 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 are 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.

2017 Form 5500, Line A – Multiple-Employer Plan Participating Employer Information

(A) NAME OF PARTICIPATING EMPLOYER	(B) EMPLOYER IDENTIFICATION NUMBER	(C) PERCENTAGE OF TOTAL CONTRIBUTIONS
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, 2017

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 3 – Series of Transactions in Excess of 5% of Plan Assets								
Dreyfus Funds Management	Dreyfus Treasury Prime Cash	\$ 44,852,406	\$ -	\$ -	\$ -	\$ 44,852,406	\$ 44,852,406	\$ -
Dreyfus Funds Management	Dreyfus Treasury Prime Cash	-	44,428,856	-	-	44,428,856	44,428,856	-

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</small> <small>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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

► **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>2017</u>				
2 Assets:				
a Market value	2a	621,704,300		
b Actuarial value	2b	628,052,027		
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	3,401	234,517,215	234,517,215	
b For terminated vested participants	1,327	65,343,108	65,343,108	
c For active participants	1,313	172,339,300	181,977,864	
d Total	6,041	472,199,623	481,838,187	
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	5.93%		
6 Target normal cost	6	12,779,199		

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	 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 ☐

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).....	10,976,060	37,518,207
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).....	10,976,060	37,518,207
10 Interest on line 9 using prior year's actual return of <u>8.47%</u>	929,672	3,177,792
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		18,077,589
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>6.13%</u>		1,108,156
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.....		19,185,745
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	11,905,732	40,695,999

Part III Funding Percentages

14 Funding target attainment percentage	14	119.42%
15 Adjusted funding target attainment percentage.....	15	130.34%
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	123.92%
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
09/13/2018	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	18,135,604

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: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ 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	12,779,199										
b Excess assets, if applicable, but not greater than line 31a	31b	12,779,199										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	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									
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	18,135,604										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	18,135,604										
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 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)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(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

<u>Line</u>	<u>Description</u>	<u>Total</u>	<u>Sandvik, Inc.</u>	<u>Pexco</u>
<u>EIN</u>			22-1717737	23-2685343
Part 1 - Basic Information				
1)	Valuation date	01/01/2017	01/01/2017	01/01/2017
2)	Assets:			
	a) Market value	621,704,300	607,543,504	14,160,796
	b) Actuarial value	628,052,027	615,027,717	13,024,310
3)	Funding target breakdown			
	a) For retired participants and beneficiaries receiving payment	234,517,215	231,833,636	2,683,579
	b) For terminated vested participants	65,343,108	64,110,541	1,232,567
	c) For active participants:			
	(1) Non-vested benefits	9,638,564	9,363,559	275,005
	(2) Vested benefits	172,339,300	169,249,352	3,089,948
	(3) Total active	181,977,864	178,612,911	3,364,953
	d) Total	481,838,187	474,557,088	7,281,099
4)	At-risk status	N/A	N/A	N/A
5)	Effective interest rate	5.93%	5.93%	6.03%
6)	Target normal cost	12,779,199	12,562,024	217,175
Part 2 - Beginning of Year Carryover Prefunding Balances				
Column (a) - Carryover Balance				
7)	Carryover balance at beginning of prior year	10,976,060	10,976,060	0
8)	Portion used in prior year	0	0	0
9)	Amount remaining	10,976,060	10,976,060	0
10)	Interest on item 9	929,672	929,672	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	11,905,732	11,905,732	0
Column (b) - Prefunding Balance				
7)	Prefunding balance at beginning of prior year	37,518,207	37,518,207	0
8)	Portion used in prior year	0	0	0
9)	Amount remaining	37,518,207	37,518,207	0
10)	Interest on item 9	3,177,792	3,177,792	0
11)	Prior year's excess contributions			
	a) Present Value	18,077,589	18,077,589	0
	b) Interest on (a) using prior year's effective interest rate 6.13%	1,108,156	1,108,156	0
	c) Total available at beginning of current year	19,185,745	19,185,745	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	40,695,999	40,695,999	0
Part 3 - Funding Percentages				
14)	Funding target attainment percentage	119.42%	118.51%	178.87%
15)	Adjusted funding target attainment percentage	130.34%	129.60%	178.87%
16)	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	123.92%	123.23%	168.43%
17)	If the current value of the assets of the plan is less than 70% of the funding target, enter such percentage			
Part 4 - Contributions and liquidity shortfalls				
18)	Contributions made to the plan	0	0	0
	a) Date			
	9/13/2018	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	18,135,604	18,135,604	0
20)	a) Did the plan have a "funding shortfall" for the prior year?	No	No	No

Schedule SB - Information for Each Individual Employer

<u>Line</u>	<u>Description</u>	<u>Total</u>	<u>Sandvik, Inc.</u>	<u>Pexco</u>
	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	4.16/5.72/6.48	4.16/5.72/6.48	4.16/5.72/6.48
	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)	Unpaid minimum required contribution for all prior 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	12,779,199	12,562,024	217,175
	b) Excess Assets	12,779,199	12,562,024	217,175
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)	18,135,604	18,135,604	0
38)	a) Total Interest-adjusted excess contributions for current year	18,135,604	18,135,604	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

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017, 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.

A handwritten signature in black ink that reads "Crowe LLP". The "C" is large and stylized, and the letters are written in a cursive-like font.

Crowe LLP

New York, New York
October 12, 2018

*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: 2017 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.

Schedule SB, Part V — Summary of Plan Provisions

• 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%).

Schedule SB, Part V — Summary of Plan Provisions

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 2017, the limit is \$270,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.

Schedule SB, Part V — Summary of Plan Provisions

LUMP SUM WINDOWS	
• 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.
• 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.
• 2016	A plan amendment effective September 1, 2016 allowed certain vested deferred participants who terminated before January 1, 2016 to receive their benefit as a lump sum payment. The participants with a present value of benefits exceeding \$1,000 who were not included in a similar offering in the years 2013 or 2014 can elect to receive their benefit as a lump sum within the period starting October 12, 2016 and ending November 14, 2016.

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).

Schedule SB, Part V — Summary of Plan Provisions

DEFINITIONS	
<ul style="list-style-type: none"> Covered employees 	<p>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.</p> <p>The plan was closed to new entrants as of July 1, 2007 (July 16, 2007 for employees covered by a collective bargaining agreement).</p>
<ul style="list-style-type: none"> Participation 	<p>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.</p>
<ul style="list-style-type: none"> Vesting Service 	<p>Calendar years with at least 1,000 hours of service.</p> <p>For former GE employees, service prior to September 26, 1987 is included.</p>
<ul style="list-style-type: none"> Credited service 	<p>Calendar years during which the employee is considered a Participant</p>
<ul style="list-style-type: none"> Pensionable earnings 	<p>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.</p> <p>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.</p> <p>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.</p> <p>The \$200,000 pay limit is not applied retroactively for plan years prior to 2002.</p>
<ul style="list-style-type: none"> Covered Compensation 	<p>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.</p>
NORMAL RETIREMENT	
<ul style="list-style-type: none"> Eligibility 	<p>First day of month coincident with or following the date on which the Participant has attained age 65.</p>

Schedule SB, Part V — Summary of Plan Provisions

<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.</div> <div>(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		

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	Continued accruals until earlier of normal retirement, early retirement, death, or date 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

Schedule SB, Part V — Summary of Plan Provisions

MISCELLANEOUS	
<ul style="list-style-type: none"> 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 2017, the limit is \$270,000.
<ul style="list-style-type: none"> Maximum benefits 	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended through January 1, 2017, are included in this valuation.

- Most recent plan amendments included:** A plan amendment effective September 1, 2016 allowed certain vested deferred participants who terminated before January 1, 2016 to receive their benefit as a lump sum payment. The participants with a present value of benefits exceeding \$1,000 who were not included in a similar offering in the years 2013 or 2014 can elect to receive their benefit as a lump sum within the period starting October 12, 2016 and ending November 14, 2016. Effective January 1, 2017 the Pre-Retirement Death Benefit charges were removed for benefits commencing on or after January 1, 2017.
- 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

Schedule SB, Part V — Summary of Plan Provisions

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

- A plan amendment effective September 1, 2016 allowed certain vested deferred participants who terminated before January 1, 2016 to receive their benefit as a lump sum payment. The participants with a present value of benefits exceeding \$1,000 who were not included in a similar offering in the years 2013 or 2014 can elect to receive their benefit as a lump sum within the period starting October 12, 2016 and ending November 14, 2016.
- Effective January 1, 2017 the Pre-Retirement Death Benefit charges were removed for benefits commencing on or after January 1, 2017

SANDVIK PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2017

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	\$ 46,453,942	\$ 65,053,685
* Mercer		Non-US Core Equity Fund	46,896,090	63,624,850
* Mercer		Long Duration Fund	167,951,836	200,472,413
* Mercer		Global Low Volatility Fund	44,458,230	56,951,865
* Mercer		US Large Cap Core Fund	102,762,478	154,487,980
* Mercer		Core Passive Fixed Fund	46,139,103	48,873,988
* Mercer		Emerging Markets Equity	12,573,372	14,340,804
	State Street Global Advisors	Emerging Markets Index Fund	27,293,876	35,234,066
	State Street Global Advisors	US Long Government Bond Index Fun	55,926,290	60,895,190
				<u>699,934,841</u>
Value of Interest in Registered Investment Company				
	Dreyfus Funds	Dreyfus Treasury Prime Cash Management	2,400,100	<u>2,400,100</u>
				<u>\$ 702,334,941</u>

* Denotes a party-in-interest.

See independent auditor's report.

Schedule SB, line 25 — Change in Method

On September 30, 2017, the Walter USA, LLC Pension Plan was merged with the Sandvik Pension Plan. As a result of the merger, the valuation date for the former Walter USA, LLC Pension Plan was updated from October 1 to January 1.

Schedule SB, Line 24 — Changes in Actuarial Assumptions

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

- The expense component of normal cost increased from \$450,000 to \$500,000 to reflect our expectations for the current plan year.
- The Social Security wage base assumption was decreased from 3.25% to 2.50%.
- The inflation rate assumption was decreased from 2.50% to 2.25%.