

**SSM CONTRACT OFFER for 2015-2019**

<b>PROVISION</b>	<b>OLD CONTRACT</b>	<b>NEW CONTRACT OFFER</b>
Wage Progression for Tier 2	12 Year Progression 2.5% per year	10 Years, 5% raises in yrs 9 & 10
General Wage Increase	13% over 5 yrs - 0%, 3%, 3%, 3.5%, 3.5%	15.5% over 5 yrs - 3.5%, 3%, 3%, 3%, 3%
<b>PERSONAL TIME</b>	5 Days per year (November - November)	10 Days per year (January - January)
Defined Contribution Plan Changes	Limited to changes on only Jan/July	Unlimited changes at any time all year
Education Tuition Reimbursement	Tuition only	100% Tuition, Fees & Books
Absenteeism Disciplinary Steps lieu of Termination)	6 Steps to discharge, incl. 10-day susp	5 Steps, incl. 1-day susp., & Last Chance Offer in
Absenteeism Occurrence Counting	40 to 180 Days, increasing time with level	12 months rolling
Employer Provided Basic Life Insurance	\$25,000.00	2x Base Annual Salary up to \$600,000.00
Employer Provided AD&D	\$25,000.00	2x Base Annual Salary up to \$300,000.00
Employee Paid Life Insurance	2x Base Annual Straight Time Max \$100k	1. to 6x Base Annual Earnings up to \$750,000.00
Employee Paid AD&D	2x Base Annual straight time, Max \$100K	Increments of \$10,000 up to max of 10x basic annual earnings. Max of \$750k
Employee Paid Dependent Life	None available	\$30,000 for Spouse, legally married and \$10,000 for each child [up to 19 yrs old or 23 if a Full Time student
Short Term Disability (STD)	First 15 days paid by employee Second 15 days paid by Company	First 5 work days paid by employee, then 66 2/3% of base weekly earnings up to Max of \$700, after 26 weeks go to LTD
Long Term Disability (LTD)	60% of 1st \$8,333 of Pre-disability earnings	60% of Base Earnings

**General Improvements/Changes:** When Tier 2 is upgraded to Operator 1, they move to top Operator 1 rate; Grievance and Arbitration Language; Temporary Assignments over 45-days must be posted; Language to fill Mechanic II vacancies with employees possessing posted qualifications and expressed willingness to enter into apprenticeship or trade-school education; safeguarded weekends adjacent to vacations from mandatory OT; Significantly improved Safety & Health language; PT is pro-rated if absent more than 6-months (same as vacations); old sick-bank converted to new sick bank time; Tardy if report within 1-hr, was within 2-hrs; and, Various language clean-ups.

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 1.1.1 - Recognition

### Current language:


"All permanent Maintenance and Operations employees classified as Tube Fabricators IM, I, II; Tube Inspectors Master, I, II; Shop Mechanics Master, I, II, and III; Calibrationists; and Machinists, Millwrights, Instrument Technicians and Electricians, Working Foreman employed by Sandvik Special Metals LLC at 235407 E. SR 397, Kennewick, Washington. In the event that the Company needs to restore the job classification of Process Observer, USW and the Company would negotiate the rate of pay, job classification and any other work conditions in the same manner of any other Union employee job classification.

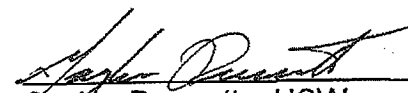
### Proposed language:

"All permanent Maintenance and Operations employees classified as Operators II, I, Master; Mechanics II, I, Master; Calibrationists; Machinists, Millwrights, Instrument Technicians, Electricians, Working Leaders employed by Sandvik Special Metals LLC at 235407 E. SR 397, Kennewick, Washington. In the event that the Company needs to restore a previously deleted job classification, USW and the Company would negotiate the rate of pay, job classification and any other work conditions in the same manner of any other Union employee job classification.

**12/18/14 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Ken Idler - SSM                      1-15-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott - USW                      1-5-2015  
Date

Distribution: Original - SSM  
.pdf - Prescott / Roberts - USW

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 1.1.2 - Recognition

### Current language:


"Excluded: Supervisors, technicians, office clerical employees, plant clerical employees, secretaries, guards and those specifically excluded by the Act.

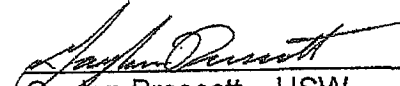
### Proposed language:

"Excluded: Supervisors (Flow Managers), technicians, office clerical employees, plant clerical employees, secretaries, guards and those specifically excluded by the Act."

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
Ken Idler - SSM                      1-5-15  
Date

  
Gaylon Prescott - USW                      1-5-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 4.3 – MANAGEMENT FUNCTIONS

### Current language:

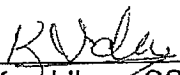
By way of illustration, the Company retains the right to manage the plant and to determine and from time-to-time re-determine the number, location and types of its plants and operations and the methods, processes and materials to be employed; to change, alter, substitute, replace, add to, or eliminate equipment, processes or procedures; to discontinue, temporarily or permanently, and in whole or in part, the conduct of its business or operations; to determine the disposition of the Company's products and the sources of materials and supplies; to select and direct the working force in accordance with the requirements determined by management; to subcontract work; to establish and maintain the standards of production and inspection; to determine the size and constitution of the working force, and to make reasonable Company rules governing the conduct of the working forces provided said rules are not inconsistent with the express terms of the Agreement.


### Proposed language:

By way of illustration, the Company retains the right to manage the plant and to determine and from time-to-time re-determine the number, location and types of its plants and operations and the methods, processes and materials to be employed; to change, alter, substitute, replace, add to, or eliminate equipment, processes or procedures; to discontinue, temporarily or permanently, and in whole or in part, the conduct of its business or operations; to determine the disposition of the Company's products and the sources of materials and supplies; to select and direct the working force in accordance with the requirements determined by management; to subcontract work, **provided no employee is on layoff that is qualified to perform such work**; to establish and maintain the standards of production and inspection; to determine the size and constitution of the working force, and to make reasonable Company rules governing the conduct of the working forces provided said rules are not inconsistent with the express terms of the Agreement.

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
Ken Idler - SSM  
Date 1-5-15

  
Gaylon Prescott - USW  
Date 1-5-2015

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 5.2 – Union Representation

### Current language:

The Union may select two (2) Stewards per shift for the Operations seniority group and one (1) steward per shift for the Maintenance seniority group, with an addition of one (1) Chief Steward for all bargaining unit (BU) employees.

Shift has to employ at least 4 BU employees for one (1) steward and at least 12 BU employees for two (2) stewards. For adequate representation, additional stewards will be allowed to sustain a minimum of 20 to 1 steward to BU employee ratio.

The Union is responsible for determining representation by department in a seniority group.

The stewards' names and seniority groups shall be furnished to the Manager, Human Resources or his representative by the Union.

### Proposed language:


"The stewards' names and seniority groups shall be furnished to the Manager, Human Resources or his representative by the Union.

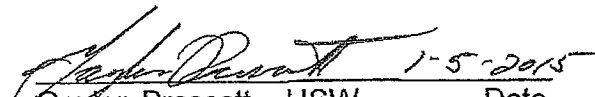
For adequate representation, stewards will be allowed to sustain 20 to 1 steward to BU employee ratio. *with an addition of (1) chief steward for all BU employees.*

The Union is responsible for determining representation by department in a seniority group." *THE CHIEF STEWARD MAY ELECT TO BE ASSIGNED TO DAY SHIFT ON A PRIORITY BASIS.*

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Ken Idler – SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 6.3.1 – GRIEVANCE PROCEDURE

**Current language:**


“The written grievance shall be presented to the supervisor. Any grievance not presented to the supervisor within fifteen (15) regularly scheduled working days...”

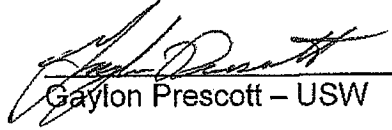
**Proposed language:**

The written grievance shall be presented to the supervisor. Any grievance not presented to the supervisor within fifteen (15) regularly scheduled working days (**excludes holidays and week-ends**)...”

**12/18/14 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Ken Idler – SSM                      1-5-15  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 6.5.4 – Grievance Procedure

### Current language:

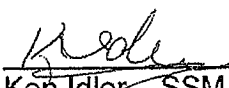
"In the event either party feels that the arbiter has exceeded his jurisdiction, the issue of whether or not jurisdiction has in fact been exceeded may be appealed to any court of competent jurisdiction for interpretation and decision."

### Proposed language:

"The decision of the arbitrator shall be final and binding on the parties."

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
Ken Idler – SSM                      1-5-15  
Date

  
Gaylon Prescott – USW                      1-5-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 6.6 – GRIEVANCE PROCEDURE

### Current language:


If the arbitration hearing is not convened within 180 calendar days from the date of the receipt of the demand for arbitration because of failure of the moving party to timely proceed, the grievance shall be considered conclusively abandoned...”

### Proposed language:

“If the arbitration hearing is not **scheduled** within 180 calendar days from the date of the receipt of the demand for arbitration because of failure of the moving party to timely proceed, the grievance shall be considered conclusively abandoned...”

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Ken Idler - SSM                      1-5-15  
Date

  
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Gaylon Prescott - USW                      1-5-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 7.1.2 – Seniority Definition

### Current language:


“However, where an employee is permanently transferred from one seniority group to another, he will retain seniority in his former seniority group for six (6) months following the effective date of transfer and will have no seniority in the new seniority group during that period. Following completion of the six-month period, a transferred employee will have full seniority in his new seniority group and his seniority in the former seniority group shall cease to have effect. Seniority groups are Operations and Maintenance”

### Proposed language:

“Where an employee is permanently transferred from one seniority group to another, he will retain his seniority.”

**12/18/14 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Ken Idler – SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
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Distribution: Original – SSM  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 7.5.6 – Seniority Promotions – Working Foreman

### Current language:


New – to be inserted between Paragraphs 3 and 4.

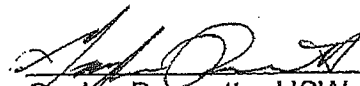
### Proposed language:

“Working Leader will be subject to the same application of the Company’s rules and policies, including overtime distribution, as are applicable to other bargaining unit members. If requested by the Union, the Company will meet to discuss disputes regarding this provision prior to a formal grievance being filed.”

**12/18/14 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Ken Idler – SSM                      1-15-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
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Distribution: Original – SSM  
.pdf – USW - Prescott

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE - 7.6.1.5 – Seniority Transfer Procedure

### Current language:

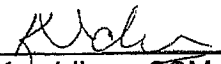
"The transferred employee will not have the advantage of his prior seniority at his new position for six (6) months."

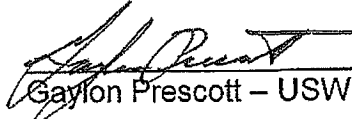
### Proposed language:

Delete and renumber remaining accordingly.

December 18, 2014 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
Ken Idler – SSM      1-5-15  
Date

  
Gaylon Prescott – USW      1-5-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 8.1 – PROBATIONARY PROCEDURE AND DISCIPLINE

### Current language:

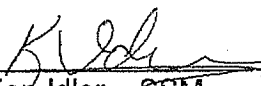
"An employee hired in any job level shall be regarded as probationary for one hundred eighty (180) days worked from and including the first day of work."

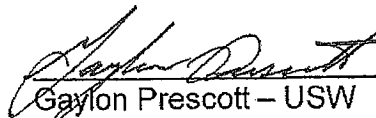
### Proposed language:

""An employee hired in any job level shall be regarded as probationary for 8 calendar months from their date of hire."

**12/18/14 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM                      1-5-15  
Date

  
Gaylon Prescott – USW                      1-5-2015  
Date

Distribution: Original – SSM  
.pdf – Prescott / Roberts – USW

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 8.3.6 – PROBATIONARY PERIOD AND DISCIPLINE

**Current language:**


"Employees that are on probation are eligible to participate in the "Sandvik Medical Benefits Plan" after 90 days of employment with the Company."

**Proposed language:**

"Employees that are on probation are eligible to participate in the "Sandvik Medical Benefits Plan" after 90 days of employment with the Company and are eligible for PT after 90 calendar days of employment with the Company."

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Ken Idler – SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 10.1 – Tuition Refund

### Current language:

“An employee who completes a job-related or other approved course from an accredited institution may receive tuition reimbursement as outlined by the Company policy and approved by the Manager, Human Resources. (Tuition benefits will not be less than those afforded in the 1983 contract).”

### Proposed language:


“SSM employees are eligible to be reimbursed for continued education as governed by Sandvik Inc. policy.”


”  
*Tuition Assistance Policy.*

*ok  
KW 1/5/15*

12/18/14 - The Union and the Company tentatively agree to the above language change.

**Subject to agreement and ratification of all issues.**

  
\_\_\_\_\_  
Ken Idler – SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
Date

Distribution: Original – SSM  
.pdf – USW - Prescott

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 10.2 (NEW) – Tuition Refund

### Current language:


New

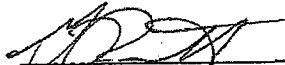
### Proposed language:

"Company shall reimburse employees 80% of the cost of books that are purchased and recommended by the approved course instructor or educational institution."

**12/18/14 - The Union withdraws its request to add the above language into the contract.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Ken Idler – SSM                      1-15-2015  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-15-2015  
Date

Distribution: Original – SSM  
.pdf – USW - Prescott

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 16.3 – Contracted Labor Force

### Current language:

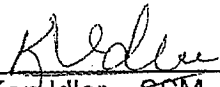
“...If hired on as a Sandvik employee the time as a contracted employee will apply to the probationary period.”

### Proposed language:

Remove last sentence.

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Ken Idler – SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 19.1.2 – Wages & Classification System – Rates of Pay

### Current language:


"It is understood that there is no automatic continuous progression from a job classification to a higher graded job classification."

### Proposed language:

Delete and renumber remaining accordingly.

12/18/14 - The Union withdraws its request to add the above language into the contract.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Keh Idler – SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      1-5-2015  
Date

Distribution: Original – SSM  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 22.8 - VACATIONS

### Current language:

"Employees may elect to defer up to five (5) days of vacation from one vacation year to the next provided the requests are submitted in writing on or before the six-week vacation scheduling deadline described in Paragraph 22.7."


**CORRECT** Contract language in accordance with previous Tentative Agreement signed 11/30/09. "Employees may elect to defer or **cash out up to forty (40) hours** of vacation from one vacation year to the next provided the requests are submitted in writing on or before the six-week vacation scheduling deadline described in Paragraph 22.7."

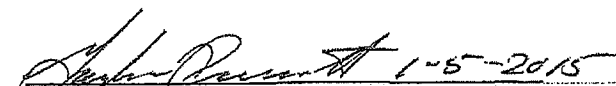
### Proposed language:

"Employees may elect to defer or cash out up to forty (40) hours of vacation from one vacation year to the next. Vacation balances of 40 hrs. or less will automatically be carried over. Employees wishing to cash out vacation must turn in a written request by the end of December."

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Ken Idler - SSM                      1-5-15  
Date

  
\_\_\_\_\_  
Gaylon Prescott - USW                      1-5-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 27.3 Worker's Compensation

Current language:

None

Proposed language:

Add Section 27.3 as follows:

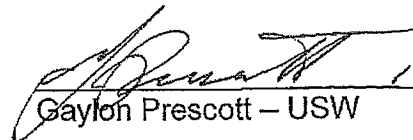
"Employees who miss scheduled work to attend rehabilitation, physical therapy, or doctor visits in connection with their worker's compensation injury, may use vacation, PT, or unpaid time. ~~Or~~ flex time at the discretion of the Company."

*may be offered*  
*ok KV 1/5/15*

12/18/14 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
\_\_\_\_\_  
Ken Idler – SSM                      Date

  
\_\_\_\_\_  
Gaylon Prescott – USW                      Date 1-5-2015

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 5.3 – Union Representation

### Current language:

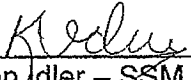
"All stewards or employees must obtain permission from their immediate supervisor before engaging in Union business during working hours. Permission which is granted shall be given without unreasonable delay to conduct such Union business. The steward involved in processing a grievance that is in the first step of the grievance procedure during his regular working hours shall not lose pay for the time spent in such discussion. When the Union Grievance Subcommittee, defined in Section 5.4 of this Article, is involved in Step 2 meetings with the Company, any member of the Subcommittee who is scheduled to work at the time of the Step 2 meeting will receive 50 percent of his straight-time pay rate. Otherwise, time spent in handling grievances shall be the Union's responsibility.

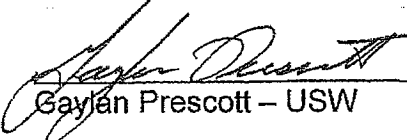
### Proposed language:

"All stewards or employees must obtain permission from their immediate Supervisor / **Flow Manager / Working Leader** before engaging in Union business during working hours. Permission which is granted shall be given without unreasonable delay to conduct such Union business. The steward involved in processing a grievance that is in the first step of the grievance procedure during his regular working hours shall not lose pay for the time spent in such discussion. When the Union Grievance Subcommittee, defined in Section 5.4 of this Article, is involved in Step 2 meetings with the Company, any member of the Subcommittee who is scheduled to work at the time of the Step 2 meeting **will receive his straight-time pay rate**. Otherwise, time spent in handling grievances shall be the Union's responsibility.

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Jdler – SSM      1-16-15  
Date

  
Gaylen Prescott – USW      1-16-2015  
Date

Distribution: Original – SSM  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 5.4 – Union Representation

### Current language:


"The Company will recognize a Union Grievance Subcommittee at Step 2 meetings, which shall consist of the Chief Steward and the authoring steward of the grievance. International Union representatives may participate as deemed necessary and appropriate by the Union. Additional Union representatives may attend Step 2 grievance meetings with the prior consent of the Company"

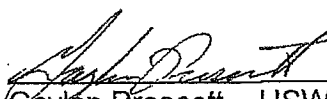
### Proposed language:

"The Company will recognize a Union Grievance Subcommittee at Step 2 meetings, which shall consist of the Chief Steward and the authoring steward of the grievance. **Additional employees may attend Step 2 meetings with prior consent of the other party, such consent will not be unreasonably denied.** International Union representatives may participate as deemed necessary and appropriate by the Union. "

1/15/15 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

  
Ken Idler – SSM  
1-16-15  
Date

  
Gaylan Prescott – USW  
1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 6.5 – Grievance Procedure

### Current language:

#### “Arbitration

A written demand for arbitration may be presented to the Human Resources Manager not later than thirty (30) calendar days after the date of receipt of the Company's written response pursuant to Section 6.4.1 of this Article.”

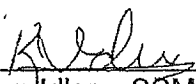
### Proposed language:

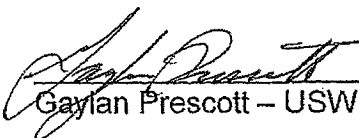
#### “Arbitration

A written demand for arbitration may be presented to the Human Resources Manager not later than **sixty (60)** calendar days after the date of receipt of the Company's written response pursuant to Section 6.4.1 of this Article.”

**1/15/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM                      1-16-15  
Date

  
Gaylan Prescott – USW                      1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 7.4.1 – Seniority / Temporary Assignments

### Current language:


"... Seniority status of employees shall not be affected by temporary transfers. Such temporary assignments will not exceed thirty work days in duration."

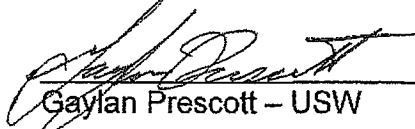
### Proposed language:

"... Seniority status of employees shall not be affected by temporary transfers. Such temporary assignments that exceed forty-five (45) calendar days in duration will be posted."

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM      1-16-15  
Date

  
Gaylan Prescott – USW      1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 7.5.3.1 – Seniority Promotions

### Current language:

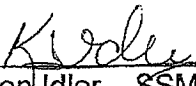
New

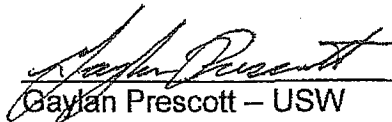
### Proposed language:

"Mechanic II vacancies will be filled with the senior qualified employee who applies for the position. The Company will post the qualifications required for the position with the posting of the vacancy. Qualifications may include work experience, aptitude tests, employee commitment to enroll within 6 months in accredited technical programs (i.e. apprenticeship, trade school in related field – Ref. Article 10.1 Tuition Refund)."

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM  
1-16-15  
Date

  
Gaylan Prescott – USW  
1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 7.5.5 – SENIORITY PROMOTIONS

### Current language:


"In addition to the employee's written request, other factors which may be considered by the company in determining qualifications in addition to job related experience are education, disciplinary record, not at a level 3 on the attendance policy, physical condition and demonstration of knowledge, skills and abilities to perform the essential function of the job through practical and aptitude testing."


### Proposed language:

"In addition to the employee's written request, other factors which may be considered by the Company in determining qualifications in addition to job related experience and education, disciplinary record (have not had a disciplinary action that resulted in suspension in the last 12 months), and demonstration of knowledge, skills and abilities to perform the essential function of the job through practical and aptitude testing."

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM      1-16-15  
Date

  
Gaylan Prescott – USW      1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 7.7.1.7 – Termination of Seniority

### Current language:

"When an employee is absent without approval for three working days in any twelve-month (12) period. Approval of absence will not be unreasonably withheld."

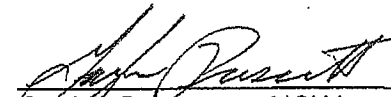
### Proposed language:

"When an employee fails to call or report for work for three (3) consecutive scheduled work shifts. "

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Key Idler – SSM                      1-16-15  
Date

  
\_\_\_\_\_  
Gaylan Prescott – USW                      1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 12.10.5 – Hours of Work & Overtime

### Current language:


"An employee on vacation, leave of absence or who is absent on the day overtime scheduling takes place will not be considered available for overtime scheduling and will not be charged for the overtime."

### Proposed language:

"An employee on vacation, leave of absence or who is absent on the day overtime scheduling takes place, will not be considered available for mandatory overtime scheduling. If the employee has signed up for voluntary overtime, it is the employee's responsibility to verify if they are scheduled to work."

**1/15/16 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
\_\_\_\_\_  
Ken Idler – SSM                      1-16-15  
Date

  
\_\_\_\_\_  
Gaylan Prescott – USW                      1-16-2015  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 12.10.8 – Hours of Work & OT / Distribution of OT

**Current language:**

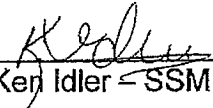
New

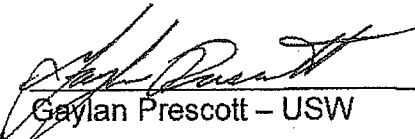
**Proposed language:**

"Employees shall not be required to work mandatory overtime on their regular scheduled days of rest immediately prior to a scheduled vacation day, nor shall employees be required to work mandatory overtime on their regular scheduled days of rest that immediately follow a scheduled vacation day."

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM                      1-16-15  
Date

  
Gaylan Prescott – USW                      1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 21.1 – Holiday Pay

### Current language:

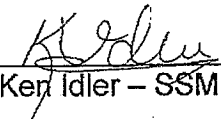
“\*One of the “Floating Holidays” may be annually designated at the Company’s discretion by January 1<sup>st</sup>.”

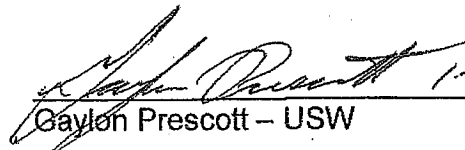
### Proposed language:

“\*One of the “Floating Holidays” may be annually designated at the Company’s discretion by January 1<sup>st</sup>. The designated FH will be treated as any other holiday and subject to 21.3.1. A doctor’s note is required if PT is used on the day before or the day after the holiday.”...

**1/16/2015 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM      1-16-15  
Date

  
Gaylon Prescott – USW      1-16-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 35.3.3 – Definition of an Absence Occurrence

### Current language:

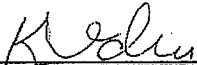
"Four (4) tardies (one-tenth of an hour to two hours in a single day) will count as one (1) absence occurrence."

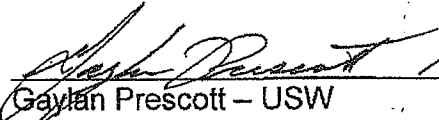
### Proposed language:

"Four (4) tardies (one-tenth of an hour to one hour in a single day) in a 12-month period will count as one (1) absence occurrence ."

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ken Idler – SSM      1-16-15  
Date

  
Gaylan Prescott – USW      1-16-2015  
Date

Distribution: Original – SSM  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 35.3.4 – Attendance Control / Definition of an Absence Occurrence

**Current language:**


New

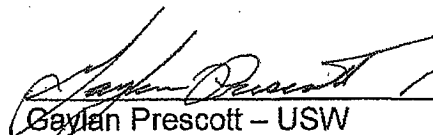
**Proposed language:**

“Absences due to illness on a scheduled day of overtime shall not result in an occurrence provided the person has verifiably been seen by a healthcare professional.”

**1/16/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Kery Idler – SSM                      1-16-15  
Date

  
Gaylan Prescott – USW                      1-16-2018  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 12.10.9 – Hours of Work & OT / Distribution of OT

### Current language:

New


### Proposed language:


"Employees who work hours during their last two sets of consecutive days of rest will not generally be mandatoried to work any hours during their next set of days of rest. Should the Company need to mandatorily an employee(s) to work during a third consecutive set of days of rest, the least senior qualified employee(s) who has not worked during both their last two sets of days of rest will be mandatoried before any employee(s) who has worked the last two consecutive days of rest.

In the event there are no qualified employees who have not worked the last 2 sets of consecutive days of rest, the Company may mandatorily the least senior qualified operator and pay the appropriate overtime rate, plus one-half (1/2) time premium for all hours worked on any third consecutive set of days of rest. Sundays shall not be subject to the one-half (1/2) time premium specified in this provision; however, employees will not be mandatoried to work Sunday in-lieu of Saturday.

**2/19/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

  
Ker Idler – SSM                      2-19-2015  
Date

  
Gaylan Prescott – USW                      2-19-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 29.6 – Personal Time - Personal Illness Leave and Personal Time Savings Plan Conversion

### Current language:

“For any employee who accrues personal illness leave in excess of the 47-days maximum accrual provided for in this Article, the Company will convert 100% of such excess personal illness leave into a dollar amount based upon the employee's straight-time hourly rate of pay in existence exclusive of shift differential. That dollar amount so computed will not be matched by the Company.”

### Proposed language:

**Delete 29.6**

(No longer valid since the “old sick bank” was eliminated – ref. TA 29.4.1.)

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 30.1 – Benefits – Insured Benefits

### Current language:

#### **“30.1 Insured Benefits**

**30.1.1** The Company now has in effect the following insured benefit levels covering the employees in the bargaining unit:

**30.1.1.1** Life Insurance and accidental death and dismemberment insurance in the amount of \$25,000. These plans are provided for actively employed employees at no cost to the employee.

**30.1.1.2** Additional life insurance may be purchased by the employee in an amount equal to two times the employee's base annual straight-time rate of pay. Full cost of the additional life insurance to be borne by the employee.

**30.1.1.3 Health & Dental Insurance:**

(No change to first 3 paragraphs; change to 4th paragraph)

... The Union recognizes that the Sandvik Plan is provided to all US employees of Sandvik, Inc. The cost sharing for the Sandvik Plan is determined by Sandvik, Inc. However, in no event will the cost sharing for USW represented employees exceed that of other non-organized Sandvik employees. The Sandvik Medical Benefits Plan is contributory. As of January 1, 2010, the monthly employee contribution (paid through payroll deductions) for active employees is as follows:

	<u>Medical</u>	<u>Dental</u>
Employee Only	\$ 73	\$11
Employee Plus One	\$145	\$22
Employee Plus Family	\$244	\$39

**These rates are generally adjusted annually and are subject to adjustment on January 1 of each year. ”**





# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 30.3.1.3 – Thrift Savings Plan

### Current language:

“An opportunity for the employee to make an additional CODA contribution of up to 10% of the employee's base weekly pay rate without Company matching. Under no circumstances shall the total CODA contribution exceed limits established by Federal regulations.”

### Proposed language:

“An opportunity for the employee to make an additional CODA contribution of up to 94% of the employee's weekly eligible compensation without Company matching. Under no circumstances shall the total CODA contribution exceed limits established by Federal regulations.”

(same as DC Plan)

**2/25/15- The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 35.2 – Attendance Control

### Current language:

On a twelve-month rolling basis an employee who misses cumulative hours equivalent to a scheduled shift and one occurrence progresses at the next occurrence as follows:

1st occurrence of absence	Counseling
2nd occurrence of absence	Counseling
3rd occurrence of absence	One (1) unpaid day off
4th occurrence of absence	Three (3) unpaid days off
5th occurrence of absence	Ten (10) unpaid days off
6th occurrence of absence	Termination

### Proposed language:

“The majority of employees have good attendance records and their dependability does not go unnoticed. Employees should be commended for good attendance, just as they are for good performance.

However, a policy is necessary to ensure consistency in handling excessive absences, allowing employees to make appropriate decisions regarding their responsibilities to report to work in a timely manner.

On a twelve-month rolling basis, an employee who violates the Attendance Control policy will progress through the Attendance Control discipline as scheduled below. Notification of an attendance occurrence and the current level of Attendance Control discipline will be made to the employee within 30 calendar days of the occurrence.

1st occurrence	Verbal Warning
2nd occurrence	Verbal Warning
3rd occurrence	Written Warning
4th occurrence	1 day Suspension and Final written Warning
5th occurrence	Last Chance Agreement or Termination”

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 35.3.1- Attendance Control – Definition of an Absence Occurrence**

### **Current language:**

“All absences on scheduled work days except: vacation, holiday, jury duty, funeral leave, military leave, disciplinary suspension, temporary layoff, approved union business, job-related injuries (verified compensation cases), approved leave of absence, court ordered appearance if subpoenaed, occurrences for life threatening disability illnesses, such as cancer, heart disease or in-patient family member, and for which the employee's presence is required, absences covered by the Family Medical Leave Act of 1993 or required by other federal or state laws.”

### **Proposed language:**

“All absences on scheduled work days except: vacation, holiday, PT with the exception of being used before and after a holiday or for OT purposes, jury duty, funeral leave, military leave, disciplinary suspension, temporary layoff, approved union business, job-related injuries (verified compensation cases), approved leave of absences including, court ordered appearance if subpoenaed, verifiable absences covered by the Family Medical Leave Act (FMLA) or required by any other federal or state laws.”

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 35.4– Attendance Control – Improved Behavior

### Current language:

“Once disciplined, if an employee works 40 scheduled days in a row without an absence occurrence, the corrective discipline will move back one step.

Should the employee reach the 4<sup>th</sup> occurrence, the corrective discipline will move back one step after 90-scheduled workdays.

Should the employee reach the 5<sup>th</sup> occurrence, the corrective discipline will move back one step after 180-scheduled workdays.

Any change to this Policy requires the mutual agreement of both the Company and the Union.

### Proposed language:

“If an employee goes 365 calendar days (from their most recent discipline occurrence) without an absence occurrence, the corrective discipline will move back to zero and the employee will no longer be in the Attendance Control discipline process.”

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

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# TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 36 – Job Progression and Retention

### Current language:

See Attachment C of CBA effective January 29, 2010

### Proposed language (to be added as Article 36 and numbered accordingly):

“36.0 - To be eligible for the opportunity to train for promotion, employee must not be active (written warning) in the Attendance Control Policy or have been disciplined resulting in a suspension in the past 12 months.

**NOTE:** Documented training requires the signatures from the Trainer and the Flow Manager / Working Lead.

### OPERATOR I

#### Requirements to qualify and maintain Operator I status.

- **Finishing**
  1. NDT Level I certified.
  2. Documented training on 100% of Operator I Finishing Operations.
  3. Maintain documented training on 100% of Operator I Finishing operations.
  
- **Processing**
  1. Documented training on the following Operator I Processing Operations (Finish ID Etch, OD Grind, OD Etch, Laser/AG)
  2. Maintain documented training on Operator II operations as directed by Company.
  
- **Pilgering**
  1. Documented training on 2 Finish Mills and 1 breakdown mill.
  2. Documented training as a minimum on Laser/AG and QV.
  3. Maintain documented training on the following Operator II operations (hollow cut, hollow inspection, hollow straighten, steel processing).
  4. Documented training on 80% of Operator I Pilgering Operations within 24 months.

### MASTER OPERATOR I

To qualify for training as Master Operator, an employee has to be qualified as Operator I in the department for which training will occur.

## **MASTER FINISHING OPERATOR**

### **Requirements to Train and Qualify for Master Finishing Operator:**

1. Documented training on 100% of all Finishing Operations
2. NDT Level II certification
3. Documented training for Rework disposition
4. Documented training for lot reconciliation activities
5. Sign off on over checks for UT and Eddy current set ups

### **Requirements to Maintain Qualifications for Master Finishing Operator:**

1. Maintain training and ability on 100% of Finishing Operations

## **MASTER PROCESSING OPERATOR**

### **Requirements to Train and Qualify for Master Processing Operator:**

1. Documented training on 100% of Operator I operations (with exception of pilger mills and Finishing Operations).
2. Training check sheet signed for acceptable demonstration for operating all vacuum furnaces
3. Training check sheet signed off for acceptable demonstration for operating WWTF

### **Requirements to Maintain Qualifications for Master Processing Operator:**

1. Re-qualify every 12 months

## **MASTER PILGER OPERATOR**

### **Requirements to Train and Qualify for Master Pilger Operator**

1. Documented training on 100% of Operator I pilgering operations.
2. Successfully complete training with documentation that competencies have been demonstrated for executing product changes / trouble shooting on two (2) finish mills and one (1) breakdown mill (twin or 4")

### **Requirements to Maintain Qualifications for Master Pilger Operator**

1. Complete training to successfully demonstrate successful product changes / troubleshooting on 100% of pilger mills within a 12 month period
2. Responsible for all product changes, troubleshooting adjustments and training on pilger mill operations
3. Continued efforts to improve efficiency in operation as well as set ups utilizing SMED and 5S tools.

**MASTER H (Machinists, Millwrights, Electrician, Instrument Technician, Calibrationist)**

**To Qualify for a Master H Position in Maintenance, an Employee Must Accomplish One (1) of the Following Requirements:**

1. Minimum four (4) year formal apprenticeship program in a trade related to the business needs of the Company and complete a 180-day probationary period with the Company as a Grade H.
2. Two (2) year Associates Degree or trade school in related field, three (3) years of experience in the related trade, 2 years of experience with the Company at Grade H and complete an additional twelve (12) credits in a trade specific to the business needs of the Company.
3. Complete eighteen (18) credit hours at a college, trade or correspondence school in a related trade with five (5) years of experience in a related trade and an additional five (5) years with the Company.

**2/18/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylon Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ATTACHMENT A – Wage Progression Scale

### Current language:

“3% increase Dec. 12, 2010

3% increase Dec. 13, 2011

3.5% increase Dec. 10, 2012

3.5% increase Dec. 9, 2013

\*\*Increases are effective the first full pay period of December

### Proposed language:

“3.5% increase first full pay period 30 days after ratification (2015)

3% increase first full pay period February 2016

3% increase first full pay period February 2017

3% increase first full pay period February 2018

3% increase first full pay period February 2019”

**2/23/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ATTACHMENT B – Cost of Living Adjustment (COLA)

### Current language:

#### “Section 1 - Purpose

The wage rates set forth in Attachment A, "Wage Progression Scale", may be increased on the dates and in a manner provided for in this Attachment. Such increase, if any, will be based upon the Bureau of Labor Statistics Consumer Price Index, U. S. City Average - All Items, Urban Wage Earners & Clerical Workers, (1967=100), hereinafter referred to as "CPI".

If the CPI in its present form and calculated on the same basis shall be revised there from or discontinued, the parties shall determine a new CPI which most closely approximates the current CPI. If the parties cannot agree on the CPI to be used, the question shall be submitted to arbitration pursuant to Section 6.5 of this Agreement.

No adjustments retroactive or otherwise shall be made in the amount of the cost-of-living adjustment due to any revision which later may be made in the published figures for the CPI for any month on the basis of which the allowance shall have been determined.

#### Section 2 - COLA Formula

On the effective dates indicated below, for every full five-tenths percent (0.5 percent) increase in the CPI within the percentage limits and during the time periods set forth in Sections 3 and 4 below, the following increases shall be applied to each employee's base hourly rate:

- A. In December 2009 a 0.375 percent increase in the base hourly rate in effect December 2010.
- B. In December 2010 a 0.375 percent increase in the base hourly rate in effect December 2011.
- C. In December 2011 a 0.375 percent increase in the base hourly rate in effect December 2012.
- D. In December 2012 a 0.375 percent increase in the base hourly rate in effect December 2013.
- E. In December 2013 a 0.375 percent increase in the base hourly rate in effect December 2014.

These increases shall be subject to the limits and maximums specified in Section 4 below. Such cost-of-living adjustments will be applied in addition to the base rate percentage increases required by Attachment A of this Agreement (see example in Section 5 below):

### **Section 3 - Effective Dates and Measurement Periods**

<u>Effective Date</u>	<u>Measurement Periods</u>
-----------------------	----------------------------

December 2010	Difference between the CPI for December 2009 and December 2010
December 2011	Difference between the CPI for December 2010 and December 2011
December 2012	Difference between the CPI for December 2011 and December 2012
December 2013	Difference between the CPI for December 2012 and December 2013
December 2014	Difference between the CPI for December 2013 and December 2014

### **Section 4 - Maximum Payments**

Notwithstanding the foregoing, the calculation of the amount of any monetary increase provided for in Section 2 of this Attachment shall be limited to, on an annual basis, the percent rise in the CPI itself during each of the time periods and within the percentage limits specified below:

- A. Using the CPI between December 2009 and December 2010, that percentage increase in the CPI which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2010.
- B. Using the CPI between December 2010 and December 2011, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2011.
- C. Using the CPI between December 2011 and December 2012, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2012.
- D. Using the CPI between December 2012 and December 2013, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2013.

### **Section 5 - Example**

Assuming an 8 percent increase in CPI between December 2009 and December 2010, the COLA adjustment effective December 2010 would be calculated as follows:

$$8 \text{ percent} - 4.0 \text{ percent} = 4.0 \text{ percent}$$

$$4.0 \text{ percent} \text{ divided by } .5 = 8$$

$$8 \times .375 \text{ percent} = 3.0 \text{ percent (COLA adjustment)}$$

$$3.0 \text{ percent} = \text{percent increase in base rate}''$$

**Proposed language:**

**"Section 1 - Purpose**

The wage rates set forth in Attachment A, "Wage Progression Scale", may be increased on the dates and in a manner provided for in this Attachment. Such increase, if any, will be based upon the Bureau of Labor Statistics Consumer Price Index, U. S. City Average - All Items, Urban Wage Earners & Clerical Workers, (1967=100), hereinafter referred to as "CPI".

If the CPI in its present form and calculated on the same basis shall be revised there from or discontinued, the parties shall determine a new CPI which most closely approximates the current CPI. If the parties cannot agree on the CPI to be used, the question shall be submitted to arbitration pursuant to Section 6.5 of this Agreement.

No adjustments retroactive or otherwise shall be made in the amount of the cost-of-living adjustment due to any revision which later may be made in the published figures for the CPI for any month on the basis of which the allowance shall have been determined.

**Section 2 - COLA Formula**

On the effective dates indicated below, for every full five-tenths percent (0.5 percent) increase in the CPI within the percentage limits and during the time periods set forth in Sections 3 and 4 below, the following increases shall be applied to each employee's base hourly rate:

- F. In December 2014 a 0.375 percent increase in the base hourly rate in effect December 2015.
- G. In December 2015 a 0.375 percent increase in the base hourly rate in effect December 2016.
- H. In December 2016 a 0.375 percent increase in the base hourly rate in effect December 2017.
- I. In December 2017 a 0.375 percent increase in the base hourly rate in effect December 2018.
- J. In December 2018 a 0.375 percent increase in the base hourly rate in effect December 2019.

These increases shall be subject to the limits and maximums specified in Section 4 below. Such cost-of-living adjustments will be applied in addition to the base rate percentage increases required by Attachment A of this Agreement (see example in Section 5 below):

**Section 3 - Effective Dates and Measurement Periods**

<u>Effective Date</u>	<u>Measurement Periods</u>
December 2015	Difference between the CPI for December 2014 and December 2015
December 2016	Difference between the CPI for December 2015 and December 2016
December 2017	Difference between the CPI for December 2016 and December 2017
December 2018	Difference between the CPI for December 2017 and December 2018
December 2019	Difference between the CPI for December 2018 and December 2019

#### **Section 4 - Maximum Payments**

Notwithstanding the foregoing, the calculation of the amount of any monetary increase provided for in Section 2 of this Attachment shall be limited to, on an annual basis, the percent rise in the CPI itself during each of the time periods and within the percentage limits specified below:

- E. Using the CPI between December 2014 and December 2015, that percentage increase in the CPI which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2015.
- F. Using the CPI between December 2015 and December 2016, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2016.
- G. Using the CPI between December 2016 and December 2017, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2017.
- H. Using the CPI between December 2017 and December 2018, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2018.

#### **Section 5 - Example**

Assuming an 8 percent increase in CPI between December 2014 and December 2015, the COLA adjustment effective December 2015 would be calculated as follows:

8 percent - 4.0 percent = 4.0 percent

4.0 percent divided by .5 = 8

8 x .375 percent = 3.0 percent (COLA adjustment)

3.0 percent = percent increase in base rate"

**2/25/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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**Memorandum of Understanding**  
**between**  
**Sandvik Special Metals LLC**  
**and United Steel Workers, Local No. 12-369**

**Article 35.2 – Attendance Control Policy**

The Company and the Union agree that employees currently in the January 29, 2010, CBA absenteeism occurrence process will be mapped to the new contract when ratified as follows:

Attendance Policy

Current			Proposed Mapping at Time of Ratification	Proposed		
Level	Action	Roll Back		Level	Action	Roll Back
1	Verbal	90	→	1	Verbal	365
2	Verbal	90	→	2	Verbal	365
3	1 Day Suspension	40	→	3	Written	365
4	3 Day Suspension	90	→	4	1 Day Suspension	365
5	10 Day Suspension	180	→	5	Last Chance Agreement or Termination	365
6	Termination					

Sandvik Special Metals LLC

United Steel Workers, Local 12-369

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Date: \_\_\_\_\_

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 7.5.4 – Seniority – Promotions**

### **Current language:**

“If there are no qualified candidates, the Company may fill the job in its discretion.”

### **Proposed language:**

“In the Maintenance Seniority group, if there are no qualified candidates, the Company may fill the job at its discretion.”

**2/25/15- The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 14.1, 14.1.1 and 14.1.2 – Health & Safety**

### **Current language:**

**14.1** The Company shall implement and maintain reasonable provisions and precautions for safeguarding the safety and health of its employees at the plant. The Union agrees that each employee will cooperate in the promotion and practice of safety, safe work habits, good housekeeping throughout the plant, and comply with safety rules and regulations.

### **14.1.1 and 14.1.2 - New**

### **Proposed language:**

#### **"14.1 – General Obligations**

**14.1.1** - The Company will provide safe and healthful conditions of work for its employees, and will comply with all applicable laws and regulations concerning the health and safety of employees at work, and the protection of the environment. The Company will make every effort to install and maintain any equipment necessary to protect employees from hazards.

The Union agrees that each employee will cooperate in the promotion and practice of a positive safety culture, safe work habits, good housekeeping and organization throughout the plant, comply with safety rules and regulations, and work towards continuous improvement for a safer work environment.

The Company and the Union will cooperate in the continuing objective of eliminating health, safety and environmental hazards, thereby preventing occupational injuries and illness."

**14.1.2** - The Company will keep all equipment maintained in safe working condition. The Employer's inspection and maintenance program will give top priority to equipment that is critical to employee safety and health. Any equipment that is not operating as designed is deemed to be faulty, and the Company will take any necessary steps to remediate any safety risks associated with faulty equipment. Equipment posing an immediate safety danger to life or limbs will be taken out of service until repaired or remedied, unless doing so would create a greater risk to the health or safety of the workforce. "Equipment" in the meaning of this article includes fixed and mobile equipment, structures, and surfaces on which employees travel or work."

**2/19/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

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# TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 14.2 – Health & Safety

### Current language:

“Three (3) bargaining unit employees designated by the Union as Safety Representatives, will meet on a monthly basis with the Company Representatives and together will form the Plant Safety Committee (PSC). The PSC is required to comply with the W. I. S.H.A. codes regarding Safety Committees, to jointly conduct a plant safety inspection at a minimum of once every six months, to review the safety and health practices of the employees and Company compliance with those practices in regards to industrial safety matters, and to jointly report their findings to both the Union and the Company. The PSC shall assist the Company in the investigation of an industrial accident or close call, the formulation of safety and health practices and/or to formulate and conduct safety related training. All matters considered and handled by the PSC shall be reduced to writing and all meeting minutes shall be maintained. The date, hour, duration and place of the meeting shall be determined by and with agreement between the Company and Union PSC representatives. PSC activities conducted during the Union representative's regularly assigned shift shall be compensated for as time worked.”

### Proposed language:

“A minimum of five (5) bargaining unit employees and a maximum of seven (7) bargaining unit employees, designated by the Union as Safety Committee Members (CSC Members), will meet with Company Representatives to form the Central Safety Committee (CSC). The CSC will meet and fulfill the Department of Occupational Safety and Health (DOSH) code requirements regarding safety committees, including: reviewing safety inspections, evaluating accident investigations, and evaluating the Accident Prevention Program. All matters considered and handled by the CSC shall be reduced to writing and all meeting minutes shall be maintained. The date, hour, duration and place of the meeting shall be determined by and with agreement between the Company and the Union CSC members. Union CSC members shall be compensated for CSC activities as time worked.”

**2/19/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
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# TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 14.2.1 and 14.2.2 – Health & Safety**

### **Current language:**

New

### **Proposed language:**

**“14.2.1** - The CSC will ensure that an annual safety evaluation of the entire workplace has been conducted and reviewed. The annual safety evaluation will include: area safety inspections, review of Job Hazard Analysis, review of Risk Assessments, review of accident and incident investigations, review of any exterior safety audits or inspections, appropriate industrial hygiene sampling and review of safety hazards reported. The CSC is to ensure that each work area has been evaluated and reviewed for health and safety concerns. This annual safety evaluation may be done in stages throughout the year to cover the entire workplace.

**14.2.2** - The CSC will prepare a presentation for the Company outlining findings and recommendations for improvement. The presentation will be given at minimum once per year, but may be given as often as once per calendar quarter as the evaluation of different work areas are completed. Findings from the annual evaluation will be recorded into the appropriate safety hazard log with an assigned priority to allow for tracking of action items and progress within one system for the workplace. The priority will be assigned based on their impact to safety and health.”

**2/19/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

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# TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 14.4 – Health & Safety**

### **Current language:**

“Any employee who becomes aware of a condition that is outside the safety requirements as defined by W.I.S.H.A. shall notify the shift supervisor. If the condition has not been corrected in a reasonable time the employee has the right to request the PSC to evaluate the situation and make a recommendation.”

### **Proposed language:**

“Any employee who becomes aware of a condition that is outside the safety requirements as defined by Department of Occupational Safety and Health (DOSH) shall notify the shift supervisor. If the condition has not been corrected in a reasonable time the employee has the right to request the CSC to evaluate the situation and make a recommendation.”

**2/19/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 14.7.2.3 – Health & Safety – Drug & Alcohol Policy - Objective

### Current language:

“Eliminate the use, abuse, possession, sale or distribution of alcohol and unauthorized drugs on Company premises where this results in impaired performance

### Proposed language:

“Eliminate the use, abuse, possession, sale or distribution of alcohol and unauthorized drugs on Company premises.”

**2/19/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

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Date

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Gaylan Prescott – USW

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Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 19.2 – Wages & Classification System – Pay for Permanent Transfers

### Current language:

#### “19.2 Pay for Permanent Transfers

- 19.2.1** An employee who is promoted to a classification which carries a higher stated maximum rate than the job from which he is being promoted will receive the rate in the new rate range which is next higher than the rate he previously was receiving, provided that straight-time hours worked temporarily in that higher classification to which promotion is being made will affect the rate received at the time of promotion as follows:
- 19.2.1.1** For each cumulative total of 522 straight-time hours, one step higher in the Wage Progression Scale (Attachment A) than that which without such temporary work, would have been appropriate.
- 19.2.1.2** Any fraction of 522 straight-time hours will count toward partial fulfillment of the time required in Attachment A to receive a step increase in the classification.
- 19.2.1.3** Where the Wage Progression Scale requires more than three months' service for a step increase, the cumulative total of 522 hours required for a step increase shall be increased by 174 cumulative hours for each additional month of service required.”
- 19.2.1.4** In no event shall the top pay step of any grade be exceeded.
- 19.2.2** When an employee is permanently transferred to a classification with a lower stated maximum rate than the job which they formerly occupied, they shall receive the same rate as they were formerly being paid but not to exceed the maximum of the classification to which they are transferred.

**Proposed language:**

**19.2 Pay for Permanent Transfers**

**19.2.1** "An employee who is promoted to a higher classification will receive the pay rate respective to their Tier level."

**19.2.2** When an employee is permanently transferred to a classification with a lower stated maximum rate than the job which they formerly occupied, they shall receive the same rate as they were formerly being paid but not to exceed the maximum of the classification to which they are transferred.

**2/25/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

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Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 19.3 – Wages & Classification System – Pay for Temporary Transfers

### Current language:

#### **“19.3    Pay for Temporary Transfers**

- 19.3.1**    If an employee is temporarily assigned to another job classification which carries a higher stated maximum hourly rate than their own, the employee shall receive the rate in the rate range of the higher classification which is next higher than the employee's regular rate for all hours worked in the higher classification in that work day. Temporary assignment shall be defined as the assumption of the duties of the classification under normal supervision.
- 19.3.1.1**    The single exception to Article 19.3.1 above is:  
When an employee is temporarily assigned only to the Calibrationist classification for an accumulated time of four (4) hours or less during the shift, the employee will be paid a minimum of four (4) hours pay at the maximum rate of the Grade H classification. If the accumulated time assigned to the Calibrationist classification exceeds four (4) hours during the shift, the employee will be paid eight (8) hours pay at the above rate.
- 19.3.2**    When an employee has worked a cumulative total of 522 straight-time hours on temporary assignment in a higher classification, their rate of pay for ensuing temporary work in that classification shall be the next higher step in the Wage Progression Scale (Attachment A) of that higher classification. For each additional whole multiple of 522 hours worked in that higher classification, subsequent advancement on the Wage Progression Scale will occur. Where the Wage Progression Scale requires more than three months' service for a step increase, the cumulative total of 522 hours required for a step increase shall be increased by 174 cumulative hours for each additional month of service required. In no event shall the top pay step in any grade be exceeded.
- 19.3.3**    When an employee performs work in another classification which carries a stated maximum rate lower than the rate for his regular job, in the case of a temporary transfer, they will be paid their regular rate during the term of such temporary transfer.
- 19.3.4**    Straight-time hours, as used in this Article, means those hours which fall within the employee's assigned eight-hour shift. First and second day of rest, holidays and other hours subject to premium pay are excluded.”



# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 21.3.1 – Holiday Pay

### Current language:

“... For purposes of determining holiday eligibility, illness absence with doctor verification before or after the holiday will be considered as days worked. ...”

### Proposed language:

“... For purposes of determining holiday eligibility, illness absence (**including Personal Time**) with doctor verification before or after the holiday will be considered as days worked. ...”

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 29.2.1 – Personal Time – Savings and Payment**

### **Current language:**

“Employees will receive five (5) paid personal days to be able to be used in one (1) hour minimums for an absence reason without effect to the attendance control policy. In addition, each employee will be eligible for up to five (5) additional days pay, less any days, beyond the five (5) paid personal days missed during the previous 12-month period. The remaining days the employee has the option to place them in (any combination of the following) cash, sickness accrual days, or 401(k). Articles 29.4.1 and 29.4.2 will apply with this policy. Payment and/or investment of additional personal time will also be made in the first full pay period of December each year.”

### **Proposed language:**

“Employees will receive 80 hours paid personal time that can be used in a minimum of one (1) hour increments for an absence reason without effect to the attendance control policy.

At the end of the year, the employee has the option with the remaining hours to receive cash payout or place the hours in sickness accrual (sick bank). Article 29.4.2 will apply with this policy. Payment and / or banking of additional personal time will also be made within the first full pay period of January each year.”

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

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Date

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Gaylan Prescott – USW

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Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 29.2.1.1 – Personal Time – Savings and Payment

**Current language:**

New

**Proposed language:**

“In the event an employee is away from work for a period greater than 6 months, the employees’ earned Personal Time for the following year will be reduced by a prorated factor equal to the actual time worked for that year. (This will follow the vacation policy.)”

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

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Date

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Gaylan Prescott – USW

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Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 29.4.1 – Personal Time - Payment

### Current language:

“Upon retirement, death or reduction in force, all hours remaining in the employee's old personal illness accrual (prior to 7/02/93) will be paid to the employee by the Company at 37.5% of the employee's straight-time rate.”

### Proposed language:

#### **Delete 29.4.1**

The old personal illness accrual (old sick bank) no longer exists. All hours were moved to the current employee's personal illness accrual (new sick bank).

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 29.4.3 – Personal Time - Payment

**Current language:**

“Payments made under 29.4.1 and 29.4.2 above may be placed in the employee's 401(k) account if requested by the employee provided the option is available in the 401(k) Plan.”

**Proposed language:**

**Delete 29.4.3**

Eliminated.

**2/19/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 29.5 – Personal Time - Disability Insurance

### Current language:

#### **“29.5 Disability Insurance**

- 29.5.1** An employee who is absent due to short-term illness or accident is eligible for short-term disability. The first fifteen (15) calendar days of absence is not paid by the Company, but an employee may use accumulated sick and/or personal time, or vacation. The next fifteen (15) calendar days of absence will be paid at 100% of normal worked days subject to absence validation by a licensed physician.
- 29.5.2** After 30 days of short-term illness or accident, the absent employee will be eligible for long-term disability, subject to approval by the insurance carrier. Long-term disability premiums will be paid by the employee, and the employee will be reimbursed by the Company. The amount of coverage will not exceed 60%, as defined in the insurance carrier contract, of the employee's normal wage at the time of absence, and subject to a maximum of \$5,000 per month. Employee reimbursement will be non-taxable to the employee subject to IRS regulations.
- 29.5.3** Benefit duration will be to age 65 or upon receipt of social security benefits, and will be subject to pre-existing conditions for the first twelve (12) months by review of previous three (3) months. ”

### Proposed language:

#### **“29.5 Disability Insurance**

- 29.5.1** The Company will provide short-term disability benefits to union employees per the Sandvik Inc. Short Term Disability Plan. Benefits will commence on the 6<sup>th</sup> day of consecutive non-occupational disability and will be equal to 66-2/3% of their weekly base earnings up to a maximum of \$700 per week for a maximum of 26 weeks. Please see the summary plan description for more information.
- 29.5.2** The Company will provide long-term disability benefits to union employees per the Sandvik Inc. Group Insurance Plan summary plan description. “

**2/26/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gaylan Prescott – USW

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Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 10.1 – Tuition Refund

### Current language:

“An employee who completes a job-related or other approved course from an accredited institution may receive tuition reimbursement as outlined by the Company policy and approved by the Manager, Human Resources. (Tuition benefits will not be less than those afforded in the 1983 contract).”

### Proposed language:

“SSM employees are eligible to be reimbursed for continued education as governed by Sandvik Inc. ~~policy.~~”

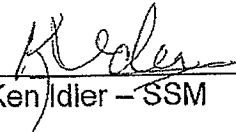
”

*Tuition Assistance Policy.*

*ok  
KW 1/5/15*

12/18/14 - The Union and the Company tentatively agree to the above language change.

**Subject to agreement and ratification of all issues.**

  
Ken Jdier – SSM      1-5-15  
Date

  
Gaylon Prescott – USW      1-5-2015  
Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 35.2 – Attendance Control

### Current language:

On a twelve-month rolling basis an employee who misses cumulative hours equivalent to a scheduled shift and one occurrence progresses at the next occurrence as follows:

1st occurrence of absence	Counseling
2nd occurrence of absence	Counseling
3rd occurrence of absence	One (1) unpaid day off
4th occurrence of absence	Three (3) unpaid days off
5th occurrence of absence	Ten (10) unpaid days off
6th occurrence of absence	Termination

### Proposed language:

"The majority of employees have good attendance records and their dependability does not go unnoticed. Employees should be commended for good attendance, just as they are for good performance.

However, a policy is necessary to ensure consistency in handling excessive absences, allowing employees to make appropriate decisions regarding their responsibilities to report to work in a timely manner.

On a twelve-month rolling basis, an employee who violates the Attendance Control policy will progress through the Attendance Control discipline as scheduled below. Notification of an attendance occurrence and the current level of Attendance Control discipline will be made to the employee within 30 calendar days of the occurrence.

1st occurrence	Verbal Warning
2nd occurrence	Verbal Warning
3rd occurrence	Written Warning
4th occurrence	1 day Suspension and Final written Warning
5th occurrence	Last Chance Agreement (see attached) or Termination"

**3/5/15 – The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

Distribution: Original – SSM  
.pdf                      – USW – Prescott

1/16/15 Counter from SSM

### Last Chance Agreement ("LCA")

By signing below, I, \_\_\_\_\_ (hereinafter referred to as "Employee"), understand and agree that the Company has established that it has just cause to terminate my employment for repeated violations of the Attendance Policy.

It is further agreed by the undersigned parties to this LCA, that Employee will be subject to the following provisions in lieu of being discharged for Attendance Policy violations that have occurred as of the date of this LCA:

1. Should Employee violate the Attendance Policy (incur an attendance occurrence) during the term of this LCA, Employee will be immediately discharged by the Company.
2. Any dispute regarding whether Employee violated this LCA shall be subject to the grievance and arbitration procedure provided in the USW/Sandvik Collective Bargaining Agreement as follows:
  - a. Should such a grievance be moved to arbitration, the sole question before the Arbitrator shall be whether or not Employee violated the Attendance Policy. All other issues, if any, shall not be subject to appeal to the grievance procedure of the Collective Bargaining Agreement. It shall be presumed by the Arbitrator that, provided Employee is shown to have violated the Attendance Policy during the term of this LCA, the Company will have established just cause to discharge Employee.
  - b. Should the Company fail to show that Employee violated the Attendance Policy during the term of this LCA, the Arbitrator will sustain the grievance.
3. I understand that this is my last chance to keep my job and that this LCA serves as a FINAL WARNING as stated above.
4. This Agreement shall expire 12-months from the date it is executed.
  - a. The expiration date shall be extended by such period of time as Employee may be absent for FMLA and/or disability leave during the term of this LCA.

I agree to the statements and terms described above:

\_\_\_\_\_, Date \_\_\_\_\_  
Employee

Confirmed and Agreed by:

For The Company: \_\_\_\_\_ Date \_\_\_\_\_

For The Union: \_\_\_\_\_ Date \_\_\_\_\_

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 30.1 – Benefits – Insured Benefits

### Current language:

#### **“30.1 Insured Benefits**

**30.1.1** The Company now has in effect the following insured benefit levels covering the employees in the bargaining unit:

**30.1.1.1** Life Insurance and accidental death and dismemberment insurance in the amount of \$25,000. These plans are provided for actively employed employees at no cost to the employee.

**30.1.1.2** Additional life insurance may be purchased by the employee in an amount equal to two times the employee's base annual straight-time rate of pay. Full cost of the additional life insurance to be borne by the employee.

**30.1.1.3 Health & Dental Insurance:**

(No change to first 3 paragraphs; change to 4th paragraph)

... The Union recognizes that the Sandvik Plan is provided to all US employees of Sandvik, Inc. The cost sharing for the Sandvik Plan is determined by Sandvik, Inc. However, in no event will the cost sharing for USW represented employees exceed that of other non-organized Sandvik employees. The Sandvik Medical Benefits Plan is contributory. As of January 1, 2010, the monthly employee contribution (paid through payroll deductions) for active employees is as follows:

	<u>Medical</u>	<u>Dental</u>
Employee Only	\$ 73	\$11
Employee Plus One	\$145	\$22
Employee Plus Family	\$244	\$39

**These rates are generally adjusted annually and are subject to adjustment on January 1 of each year. ”**

**Proposed language:**

**“30.1 Insured Benefits**

**30.1.1** The Company now has in effect the following insured benefit levels covering the employees in the bargaining unit:

**30.1.1.1** Life Insurance and accidental death and dismemberment insurance. These plans are provided for actively employed employees at no cost to the employee. Please see the summary plan description for more information.

**30.1.1.2** Additional life insurance, and accidental death and dismemberment insurance for the employee and dependent life insurance may be purchased by the employee. Full cost of the additional insurance to be borne by the employee.

**30.1.1.3 Health & Dental Insurance:**

(No change to first 3 paragraphs; change to 4<sup>th</sup> paragraph)

... The Union recognizes that the Sandvik Plan is provided to all US employees of Sandvik, Inc. The cost sharing for the Sandvik Plan is determined by Sandvik, Inc. However, in no event will the cost sharing for USW represented employees exceed that of other non-organized Sandvik employees. ”

**3/5/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

**Attachments: SI Group Insurance SPD (1/1/2015)  
SI Short-Term Disability SPD (1/1/2015)  
SI\_SSM Group Comparison**

Distribution: Original – SSM  
.pdf – USW - Prescott

**SANDVIK**  
**Group Insurance Plan**

**As in Effect January 1, 2015**

*Summary Plan  
Description*

## INTRODUCTION

The Sandvik Group Insurance Plan is meant to provide benefits to eligible employees of the Sandvik Group in the United States. This Plan is part of a welfare benefit program that has been designed to provide financial security for the Company's valued employees and their dependents.

This document serves two important functions related to the Plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA), a federal law applying to employee benefit plans.

First, ERISA requires that employers provide covered individuals with a description of the various benefit plans it maintains. Such information is to be included in a summary plan description ("SPD") for each plan. This document will constitute the SPD for the Plan.

Second, ERISA requires that employee benefit plans be maintained pursuant to an official written plan document. This document, together with any contracts and agreements that the Company has entered into with benefit providers under the Plan or any written descriptions used by a provider of administrative services to determine benefits under the Plan, constitutes the official written plan document under ERISA.

Please remember that the benefit descriptions contained in this document are intended to summarize the more detailed descriptions contained in the official written plan document. The official written plan document may contain additional conditions, limitations and restrictions on benefits that are not described in this document.

**If there is any conflict or inconsistency between this document and the official written plan document, or with respect to any provision not discussed in this document, the legal documents constituting the official written plan document shall control.**

You and your covered dependents may examine the Plan, all amendments, and certain other documents and records pertaining to the Plan during regular business hours or by appointment at a mutually convenient time in the Human Resources Department. You may obtain copies of the documents constituting the Plan and of certain reports from the Human Resources Department (a reasonable charge may be imposed for those copies, as prescribed by federal regulation). Because benefits under the Plan will be of importance to you and your family, you should retain this document and any other descriptive material as part of your permanent records.

If you have any questions regarding this Plan or the administrative procedures relating to the Plan, please contact your Human Resources representative.

**CONTENTS**

Information about the important features of this Plan can be found on the following pages:

	<u>Page</u>
1. Eligible Employees .....	GI 1
2. Benefits Available under the Plan.....	GI 1
3. Life Insurance & Personal Accident Insurance.....	GI 2
4. Long Term Disability Insurance .....	GI 14
5. Other Important Information.....	GI 19

**1. Eligible Employees**

An employee is eligible after 90 days of service.

Eligible Employees are those employees who are regularly scheduled to work a minimum of 30 hours per week and who are employees of the divisions of Sandvik, Inc., or of participating subsidiaries or affiliates of Sandvik, Inc.

A list of Participating Employers is available in a separate section in the BENEFITS FROM SANDVIK binder.

Excluded from eligibility are those employees who are subject to a separate collective bargaining agreement (unless the agreement provides for participation in the Plan), or who may be subject to other Group contractual agreements that do not provide for participation in the Plan.

**2. Benefits Available under the Plan**

The Sandvik Group Insurance Plan consists of the following benefits:

- Life Insurance and Personal Accident Insurance
- Long Term Disability Insurance

### 3. Life Insurance and Personal Accident Insurance

#### Enrollment and Coverages Available under the Plan

The Plan consists of the following coverages:

##### Non-Contributory Benefits (Company paid)

- basic Life Insurance
- basic Personal Accident Insurance

##### Contributory Benefits (Employee paid with After Tax Payroll Deductions)

- supplemental Life Insurance
- dependent Life Insurance
- supplemental Personal Accident Insurance

Any eligible employee of the Company has non-contributory benefits automatically after 90 days of service .

Any eligible employee of the Company has contributory benefits after 90 days of service, upon completing an enrollment form electing the coverages, and upon naming a beneficiary.

An employee may elect any combination of the three contributory benefits.

To obtain benefits, simply complete an enrollment form. Enrollment forms are available through the HR Services by calling HRServices. On the forms, you will indicate the following:

- your election for benefits
- your beneficiary
- your authorization allowing the Company to make required payroll deductions for contributory benefits

No medical examination is required if you elect supplemental Life Insurance up to the lesser of three times your base annual earnings or \$300,000 within 31 days after you become eligible. If you enroll for supplemental Life Insurance after that time, however, you will be required to furnish satisfactory proof of insurability before you are covered.

You can name anyone as your beneficiary and you can change your beneficiary at any later date by completing the appropriate form, which is available from and must be submitted to HRServices. You are always the beneficiary on dependent Life Insurance.

You may also assign your rights under the policy(ies) subject to the approval of both the Company and the insurance company. You are urged, however, to seek outside legal counsel before doing so, since once an assignment is made, you will not be able to change it.

You must be working on a full time basis on the date that your coverage becomes effective. If you are disabled on the date that your employment would otherwise have commenced, you will not be covered until you return to work on a full time basis.

### Life Insurance Coverage

Life Insurance benefits are payable in the event of death from any cause, at any time, in any place.

The amount of Life Insurance benefit is as follows:

#### Prior to age 65

- basic Life Insurance benefits are two times your base annual earnings, up to a maximum of \$600,000 of insurance.
- supplemental Life Insurance benefits (if elected by you) may be one, two, three, four, five, or six times your base annual earnings, up to a maximum of \$750,000 of insurance.
- dependent Life Insurance benefits (if elected by you) are \$30,000 for your spouse; and \$10,000 for each child older than 14 days and less than 19 years of age (less than 23 years of age if a full-time student).

#### After age 65

If you remain employed by the Company after age 65, your Life Insurance amounts will be reduced to 95% of the amount that was in force at age 64 and will be further reduced by an additional 5% each year until you attain age 70.

If you remain employed by the Company after age 70, your Life Insurance amounts will be reduced to 71% of the amount that was in force at age 64 and will be further reduced by an additional 4% each year until you attain age 75.

If you remain employed by the Company after age 75, your Life Insurance amounts will be reduced to 53% of the amount that was in force at age 64 and will be further reduced by an additional 2% each year thereafter.

#### Other Provisions

All insurance amounts are rounded to the next higher \$1,000 if not already an even multiple of \$1,000.

Base annual earnings are defined as your base annual pay, excluding any overtime pay, bonus payments, or any other form of additional compensation, except that for sales personnel, commissions are included, and averaged over the prior 12 months (or number of months worked, if less than 12).

Basic and supplemental Life Insurance amounts are automatically adjusted whenever your base annual earnings change so that your coverage is always up to date. In the case of supplemental insurance benefits, your payroll deduction will also automatically be adjusted to reflect the new insurance amount.

If you are disabled and away from work on the date your earnings change, any new insurance amounts and payroll deductions will become effective upon your return to work on a full time basis.

#### Upon termination of employment

All Life Insurance benefits cease upon the termination of your employment with the Company for any reason, including retirement.

#### Imputed Income on Life Insurance

Federal law permits employers to provide up to \$50,000 of cost free life insurance to employees without creating taxable income to the employee.

If you have in excess of \$50,000 of basic Life Insurance coverage, the Company's cost of providing you this excess coverage will be added to your earnings as "imputed income" and this amount will be subject to appropriate tax deductions.

### Disability Benefit on Life Insurance

If an employee becomes disabled while insured, basic Life Insurance will be continued for up to a maximum of 6 months at no cost to the employee.

Supplemental and dependent Life Insurance coverages may be continued for up to 6 months by notifying HRServices and by continuing required contributions.

If an employee becomes totally disabled while insured, all Life Insurance coverages will be extended for one year, if the employee becomes totally disabled prior to age 60; the total disability lasts for at least 6 months; premiums continue to be paid; and the insurance company is provided proof of Total Disability within one year from the date it began.

After proof of Total Disability is approved by the insurance company, no further premiums are payable, and any premiums paid since the start of the Total Disability will be refunded.

Insurance coverage may then be extended for additional one year periods upon submitting a new proof of Total Disability to the insurance company annually, and upon taking any required examinations by a doctor approved by the insurance company.

Insurance coverage continues in the amount in force at the time the Total Disability commenced. Coverage will never increase, and will decrease at any time that it would have decreased had there been no period of Total Disability.

This disability benefit will cease upon the following conditions:

- return to any full-time active work;
- refusal to be examined at the request of the insurance company;
- refusal to furnish required proof of Total Disability;
- attainment of age 65;
- retirement.

The employee may use the policy conversion privilege when and if this disability benefit ceases for a cause other than return to full-time work with Sandvik.

### Payment of Life Insurance Benefits

The full amount of any basic and supplemental Life Insurance benefits is payable to named beneficiary(ies) upon death. Benefits are normally paid in a lump sum. However, you or your beneficiary may elect to have benefits paid in any optional form then being offered by the insurance company.

In order to receive benefits, the beneficiary must submit a legal certification of death to The beneficiary will be furnished with appropriate claim forms and instructions on how to complete and submit the claim.

### Accelerated Death Benefit Rider

This rider is designed to help offset costs for a terminally ill employee, by providing an advance payment of a portion of the death benefit.

The Living Benefit is an amount equal to 75% of the amount of death benefit on the date of certification of terminal illness, subject to a maximum of \$500,000 and minimum of \$5,000. The benefit may be paid as a lump sum or in installments as agreed with the insurance company. The Living Benefit is payable one time only for any employee.

The employee must be insured under this Plan for at least 60 days prior to being certified as terminally ill for the Living Benefit to be paid. Dependents are not eligible for this rider.

Terminal illness means any illness or physical condition that is certified by a physician to reasonably be expected to result in death in less than twelve months from the date of certification.

Payment of this benefit may be considered taxable income to the employee, who is advised to seek qualified tax advice prior to electing this benefit.

Furthermore, payment of this benefit reduces any death benefit payable by an amount equal to the full Living Benefit payment.

### Survivor Counseling

The insurance company offers toll-free counseling service to all beneficiaries who experience the loss of a loved one. Professional counselors are standing by to help those beneficiaries who need assistance.

### Termination of Life Insurance Coverage

Upon termination of employment for any reason, including retirement, all benefits cease immediately.

Upon your termination of payroll deductions, all supplemental and dependent benefits cease immediately.

Upon termination of employment in an eligible class of employees, benefits may be terminated.

However, in the event of death within 31 days after the termination of employment, full basic Life Insurance benefits are payable by the insurance company.

### Life Insurance Conversion Privilege

Upon termination of employment, an employee may convert part or all of the life insurance in force on the date of termination to an individual life insurance policy issued by the insurance company. No medical examination is required if this conversion takes place within 31 days after the termination of employment.

The cost for this individual coverage will be determined by the insurance company from its then current premium schedule, based, in part, on the age of the applicant.

## Personal Accident (Accident) Insurance Coverage

This coverage provides benefits in addition to the Life Insurance coverage.

Benefits are payable in the event of loss of sight, speech, or hearing, loss of any limb, or thumb and index finger, or death as the result of an accident.

**Note: additional benefits are payable if the accident occurs while the employee is traveling on Company business. Please see the Travel Accident Insurance Plan.**

The amount of basic Accident Insurance benefit is as follows:

### Prior to age 65

- basic benefits are two times your base annual earnings, up to a maximum of \$300,000 of insurance.

### After age 65

If you remain employed by the Company after age 65, Accident Insurance amounts will be reduced as defined in the section on Life Insurance coverage.

### Other Provisions

All insurance amounts are rounded to the next higher \$1,000 if not already an even multiple of \$1,000.

Base annual earnings are defined in accordance with the section on Life Insurance coverage.

Insurance amounts are automatically adjusted whenever your base annual earnings change so that your coverage is always up to date.

If you are disabled and away from work on the date your earnings change, any new insurance amount will become effective upon your return to work on a full time basis.

### Upon termination of employment

All Accident Insurance benefits cease upon the termination of employment with the Company for any reason, including retirement.

### Accident Benefits Schedule

If an employee suffers the following losses within 365 days after the date of an accident, a benefit is payable as follows:

<u>Loss</u>	<u>Benefit</u>
Life	100% of Coverage
One hand, or one foot, or sight in one eye	50% of Coverage
Any two or more of these	100% of Coverage
Thumb and index finger	25% of Coverage
Speech or hearing	50% of Coverage
Speech and hearing	100% of Coverage

No more than 100% of the Accident Insurance benefit will be paid for losses sustained in any one accident.

### Disability Benefit on Accident Insurance

If an employee becomes totally and permanently disabled while insured, basic Accident Insurance coverage will be continued for up to a maximum of 6 months at no cost to the employee.

### Exclusions from Accident Coverage

Benefits are not payable for losses or death caused by the following:

- disease, bodily or mental infirmity
- infection, except for certain infections resulting from a covered accident
- medical or surgical treatment, unless surgery is required as a result of and performed within 90 days of the date of a covered accident
- suicide or attempted suicide, while sane or insane
- intentionally self inflicted injury
- war, or any act of war, whether declared or undeclared
- serving full time active duty in the Armed Forces of any country or international authority
- active participation in a riot
- committing or attempting to commit a felony or the engagement in an illegal occupation
- being under the influence of any narcotic that is voluntary taken, ingested or injected, unless administered or consumed on the advice of a Physician
- the presence of alcohol in the employee's blood
- boarding, leaving or being in or on any kind of aircraft unless the employee is a fare paying passenger on a commercial aircraft
- hazardous sports
- accidental injury that arises out of the course of employment

### Supplemental Accident Insurance

An employee may elect to purchase supplementary Accident Insurance coverage.

This coverage would be in addition to the basic benefit explained above, and is available on the employee, and on the employee's spouse and dependent children (to age 19, or age 23 if a full time student).

Supplemental Accident Insurance is available in increments of \$10,000 to a maximum of \$750,000.

#### After Age 65

See Life Insurance reductions on pages GI 3 – 4 for reduction amounts.

## Benefits Schedule

If an employee suffers the following losses within 365 days after the date of an accident, a benefit is payable as follows:

<u>Loss</u>	<u>Benefit</u>
Life	100% of Coverage
One hand, or one foot, or sight in one eye	50% of Coverage
Any two or more of these	100% of Coverage
Thumb and index finger	25% of Coverage
Speech or hearing	50% of Coverage
Speech and hearing	100% of Coverage

If a dependent suffers a loss within 365 days after the date of an accident, a benefit is payable in an amount equal to a percentage of the above employee benefit level as below:

- If the dependent is a child and the employee has no spouse, a benefit is payable in an amount equal to 15% of the above employee benefit level.
- If the dependent is a child and the employee has a spouse, a benefit is payable in an amount equal to 10% of the above employee benefit level.
- If the dependent is a spouse and the employee has no child, a benefit is payable in an amount equal to 60% of the above employee benefit level.
- If the dependent is a spouse and the employee has a child, a benefit is payable in an amount equal to 50% of the above employee benefit level.

No more than 100% of the benefit will be paid for losses sustained in any one accident.

## Exclusions from Supplemental Accident Insurance Benefits

Benefits are not payable for losses or death caused by the following:

- disease, bodily or mental infirmity
- infection, except for certain infections resulting from a covered accident
- medical or surgical treatment, unless surgery is required as a result of and performed within 90 days of the date of a covered accident
- suicide or attempted suicide, while sane or insane
- intentionally self inflicted injury
- war, or any act of war, whether declared or undeclared
- serving full time active duty in the Armed Forces of any country or international authority
- active participation in a riot
- committing or attempting to commit a felony or the engagement in an illegal occupation
- being under the influence of any narcotic that is voluntary taken, ingested or injected, unless administered or consumed on the advice of a Physician
- the presence of alcohol in the employee's blood
- boarding, leaving or being in or on any kind of aircraft unless the employee is a fare paying passenger on a commercial aircraft
- hazardous sports
- accidental injury that arises out of the course of employment

### Termination of Basic & Supplemental Accident Insurance Coverage

Upon termination of employment for any reason, including retirement, all Accident Insurance benefits cease immediately.

Upon termination of employment in an eligible class of employees, benefits may be terminated.

### Accident Insurance Conversion Privilege

Upon termination of employment, an employee may convert part or all of the amount of insurance in force on the date of termination to an individual insurance policy issued by the insurance company. No medical examination is required if this conversion takes place within 31 days after the termination of employment.

The cost for this individual coverage will be determined by the insurance company from its then current premium schedule, based, in part, on the age of the applicant.

### Employee Contributions

Employees will pay the full premium cost of any supplemental Life Insurance, dependent Life Insurance, or supplemental Accident Insurance coverages elected.

The cost is determined by the insurance company selected by the Company, and is subject to annual change, based, in part, on the claim experience of the Plan.

Current premium rates are available through HR Services.

#### 4. Long Term Disability (LTD) Insurance

##### Enrollment and Coverages Available under the Plan

LTD benefits are non-contributory, that is fully paid by the Company.

Any eligible employee of the Company has LTD benefits automatically after 90 days of service and upon completing an enrollment form.

You must be working on a full time basis on the date that your coverage becomes effective. If you are disabled on the date that your employment would otherwise have commenced, you will not be covered until you return to work on a full time basis.

LTD coverage is designed to continue a part of your pay in the event of a prolonged disability.

Benefits begin after you have been disabled for six months, and continue for as long as your disability lasts - until retirement, if necessary.

Although you need not be confined at home or in a hospital to receive benefits under this Plan, you must be unable to work and under the care of a physician.

Once Plan benefits start, they will be paid for as long as your disability lasts - up to the date of your retirement.

If you become disabled as the result of illness or injury, you will receive the following benefit:

- 60% of your base monthly earnings, up to a maximum of \$10,000 per month.
- less any other income benefits you receive during your disability, as described below.

Base monthly earnings are defined as your base monthly pay, excluding any overtime pay, bonus payments, or any other form of additional compensation, except that for sales personnel, commissions are included, and averaged over the prior 12 months (or number of months worked, if less than 12).

### Other Income Benefits

Other income benefits means income that will be taken into account in determining the amount payable to you from this Plan. It includes the following:

- income received from any employer or from any occupation for pay or profit, other than from work performed under an approved rehabilitation program, which will be treated separately.
- disability, retirement, or unemployment benefits provided under any government law, including Workers Compensation benefits, or disability and retirement benefits (primary or family) under U.S. Social Security law.
- wage replacement benefits under no-fault laws.
- statutory disability benefits.
- disability, retirement, or unemployment benefits provided under any group insurance or pension plan, or other group coverage.

Once your monthly benefit is determined under this Plan, any increase in Social Security, Workers Compensation, or other government benefits will not affect the benefits you are receiving under this Plan.

### Benefit Duration

Benefits under this Plan start after you have been totally disabled for six months.

For purposes of this Plan, you will be considered totally disabled if during the first 24 month period of your disability, you cannot perform the duties of your occupation. After the first 24 months, you will be considered totally disabled if you cannot work at any gainful occupation for which you are or could reasonably become qualified by training, education, or experience.

Additionally, after the first 24 months, your continuing disability must be caused by a physical impairment which can be determined by clinical and laboratory diagnosis. For example, a mental or nervous disorder would not be considered a physical impairment.

However, if you are hospitalized for more than 30 days at the end of the first 24 month period of total disability due to a non-physical impairment, benefits will continue to be paid until you have been released from the hospital. Benefits may also continue for up to a total combined maximum of 36 months if you are participating in an Extended Treatment Plan..

Once Plan benefits commence, they will be continued until the earliest of the following dates:

- when you are no longer totally disabled.
- when you start work at an occupation for which you are qualified by training, education, or experience (other than work in an approved rehabilitation program).
- when you fail to furnish proof of your continuing disability or refuse to be examined by a physician designated by the insurance company.
- when you stop being under the care of a physician.
- on the date of your death.

Maximum Benefit Period

Maximum Benefit Period is the period shown below or your Normal Retirement Age as defined by the 1983 amendment to the Federal Social Security Act.

<u>Age at Disability</u>	<u>Maximum Benefit Period</u>
Less than age 60	To age 65, but not less than 60 months
60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 and over	12 Months

### Approved Rehabilitation Program

If you enter a rehabilitative program approved in writing by the insurance company, you will continue to receive income under this Plan as long as you remain in the approved program. However, the benefit that you receive from this Plan will be reduced by 50% of any earnings that you receive from the rehabilitative program.

### Successive Disabilities

If you have been totally disabled for six months, and are under the care of a physician, and are receiving monthly income benefits, successive disabilities due to injuries received in the same accident, or due to the same or a related illness, will be considered one disability unless the disabilities are separated by your return to active full-time employment for at least six consecutive months.

Successive disabilities resulting from unrelated causes will be considered a continuation of the first disability unless the disabilities are separated by your return to active full-time employment for at least one full day.

### Pre-Existing Conditions

If your disability is related to any illness or injury for which you were treated by a physician during the three month period before the date your Plan coverage became effective, that disability will not be covered unless it recurs after you have been enrolled in this Plan for 12 months.

### Exclusions

Benefits are not payable under this Plan for disabilities caused by the following:

- intentionally self-inflicted injury.
- assault, battery, felony, or misdemeanor which you attempt or commit.
- any act of war (declared or undeclared), insurrection, rebellion, or participation in a riot or civil commotion.
- cosmetic surgery
- gender change

### Extension of Benefits

If a disability for which a monthly benefit is payable continues after this Plan is terminated, you will continue to receive a monthly benefit to the same extent as if the policy had not terminated.

### Payment of Benefits

In order to receive benefits, please contact your local Human Resources representative for claim forms and procedures.

### Termination of Benefits

Upon termination of employment for any reason, including retirement, all insurance benefits cease immediately.

Upon termination of employment in an eligible class of employees, all benefits may be terminated.

## 5. Other Important Information

### Plan Sponsor and Identification Number

The Plan Sponsor is:   The Company:   Sandvik, Inc.  
1702 Nevins Road  
Fair Lawn, NJ 07410  
(201) 794-5000

The identification number assigned to the Company by the Internal Revenue Service is 22-1717737.

### Plan Name and Identification Number

The official name of the Plan is the Sandvik Group Insurance Plan.

The identification number assigned to the Plan by the Company is 501.

### Plan Administrator

The Plan is administered by the Company.

### Authority of Plan Administrator

The Plan Administrator will be the sole judge of the application and interpretation of the Plan, and will have the discretionary authority to construe the provisions of the Plan, to resolve disputed issues of fact, and to make determinations regarding eligibility for benefits. The decisions of the Plan Administrator in all matters relating to the Plan (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties and generally will not be overturned by a court of law.

The duties of the Plan Administrator under the Plan will be carried out in its name by its officers and employees. The Plan Administrator may designate any person(s) to carry out fiduciary responsibilities under the Plan pursuant to a written instrument which specifies the fiduciary responsibilities assigned to each such person. Any person may serve in more than one fiduciary capacity with respect to the Plan. To the extent of any such delegation (but only to such extent), the delegate shall become the named fiduciary responsible for administration of the Plan, and references to the Plan Administrator shall apply instead to the delegate. Except as set forth above, any action by the Plan

Administrator assigning any of its responsibilities to specific persons who are all employees of the Company shall not constitute delegation of the Plan Administrator's responsibility, but rather shall be treated as the manner in which the Company has determined internally to discharge such responsibility.

The Plan Administrator has contracted with an outside provider to maintain certain administrative services under the Plan. The services being performed by the outside provider include benefit determinations, review of denied benefit claims, enforcement of the Plan's subrogation and coordination of benefit provisions, etc. For more information about the outside provider and its duties under the Plan, contact the Human Resources Department.

#### Amendment and Termination

The Company has reserved the right to change or eliminate benefits under the Plan at any time and for any reason. This means that the Plan may be modified to provide higher or lower levels of benefits, modified to provide higher or lower levels of cost to participants, or amended in any other way. The Plan may be amended by formal action taken by written action of the Company's Board of Directors.

The Company may also terminate the Plan or any portion of it at any time for any reason. If the Plan is terminated or partially terminated, you will be entitled to the benefits accrued up to the date of the termination or partial termination.

#### Agent For Service of Legal Process

If it is necessary for you to serve legal papers in connection with a law suit involving the Plan, process should be served on the Company at the address given at the beginning of this section.

#### Plan Records

Plan records are kept on the basis of the calendar year.

#### Funding

The Plan is funded through contributions by the Company and participants.

### Right of Recovery

If, for some reason, a benefit is paid which is larger than the amount allowed by the Plan, the Plan has a right to recover the excess amount from the person or agency who received it. The person receiving benefits must produce any instruments or papers necessary to ensure this right of recovery.

### Your Rights Under ERISA

If you believe that your rights under the Plan have been violated, you have the right to bring legal service against the Plan in a court of law.

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request of the Plan Administrator, who may make a reasonable charge for the copies.

In addition to creating rights for Plan members, ERISA imposes duties upon the people, called "fiduciaries", who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan have a duty to do so prudently and in the interest of you and all Plan participants and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the

Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Department of Labor; Pension and Welfare Benefits Administration.

# **SANDVIK**

**Short Term Disability Insurance Benefits  
for Certain Non Exempt Employees**

**As in Effect January 1, 2015**

***Summary Plan  
Description***

## INTRODUCTION

The Sandvik Short Term Disability Insurance Plan is meant to provide benefits to eligible employees of the Sandvik Group in the United States. This Plan is part of welfare benefit program that has been designed to provide financial security for the Company's valued employees and their dependents.

This document serves two important functions related to the Plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA), a federal law applying to employee benefit plans.

First, ERISA requires that employers provide covered individuals with a description of the various benefit plans it maintains. Such information is to be included in a summary plan description ("SPD") for each plan. This document will constitute the SPD for the Plan.

Second, ERISA requires that employee benefit plans be maintained pursuant to an official written plan document. This document, together with any contracts and agreements that the Company has entered into with benefit providers under the Plan or any written descriptions used by a provider of administrative services to determine benefits under the Plan, constitutes the official written plan document under ERISA.

Please remember that the benefit descriptions contained in this document are intended to summarize the more detailed descriptions contained in the official written plan document. The official written plan document may contain additional conditions, limitations and restrictions on benefits that are not described in this document.

**If there is any conflict or inconsistency between this document and the official written plan document, or with respect to any provision not discussed in this document, the legal documents constituting the official written plan document shall control.**

You and your covered dependents may examine the Plan, all amendments, and certain other documents and records pertaining to the Plan during regular business hours or by appointment at a mutually convenient time in the Human Resources Department. You may obtain copies of the documents constituting the Plan and of certain reports from the Human Resources Department (a reasonable charge may be imposed for those copies, as prescribed by federal regulation). Because benefits under the Plan will be of importance to you and your family, you should retain this document and any other descriptive material as part of your permanent records.

If you have any questions regarding this Plan or the administrative procedures relating to the Plan, please contact your Human Resources representative.

## CONTENTS

Information about the important features of this Plan can be found on the following pages:

	<u>Page</u>
1. Eligibility.....	D 1
2. Enrollment.....	D 1
3. Short-Term Disability Insurance Coverage.....	D 2
4. Payment of Benefits .....	D 2
5. Termination of Benefits.....	D 3
6. Other Important Information.....	D 3
7. Eligible Employees.....	D 7

**1. Eligibility**

Eligible Employees are certain employees who are regularly scheduled to work a minimum of 30 hours per week and who are employees of the divisions of Sandvik, Inc., or of participating subsidiaries or affiliates of Sandvik, Inc.

A list of the Eligible Employees covered by this Plan is available in Section 7 of this document.

**2. Enrollment**

An eligible employee has benefits after 90 days of service.

This insurance coverage is provided at no cost to you. It is fully paid by the Company.

You must be working on a full time basis on the date that your coverage becomes effective. If you are disabled on the date that your employment would otherwise have commenced, you will not be covered until you return to work on a full time basis.

### 3. Short-Term Disability (STD) Insurance Coverage

STD Coverage is designed to continue a part of your pay for up to 26 weeks during periods of non-occupational disability.

Occupational injury or illness claims are covered under Workers Compensation.

When your coverage becomes effective, benefits begin after you have been absent for five consecutive working days due to injury or illness.

Although you need not be confined at home or in a hospital to receive benefits under this Plan, you must be unable to work and under the care of a physician.

Once benefits start, they will be paid for up to 26 weeks.

If you become disabled as the result of a non-occupational illness or injury, you will receive the following benefit:

66 & 2/3 % of base weekly earnings, to a maximum of \$450 per week.

Base weekly earnings are defined as your base weekly pay, excluding any overtime pay, bonus payments, or any other form of additional compensation.

#### Successive Disabilities

Periods of disability due to the same or related causes which are separated by less than two consecutive weeks of full-time work are considered one continuous period of disability. Periods of disability due to unrelated causes which are separated by at least one full day of work are considered a separate period of disability.

### 4. Payment of Benefits

In order to receive benefits, please contact HR Services for instruction on how to file a claim.

**5. Termination of Benefits**

Upon termination of employment for any reason, including retirement, all benefits cease immediately.

Upon termination of employment in an eligible class of employees, all benefits will be terminated.

**6. Other Important Information**

**Plan Sponsor and Identification Number**

The Plan Sponsor is: The Company: Sandvik, Inc.  
1702 Nevins Road  
Fair Lawn, NJ 07410  
(201) 794-5000

The identification number assigned to the Company by the Internal Revenue Service is 22-1717737.

**Plan Name and Identification Number**

The official name of the Plan is the Sandvik Short Term Disability Insurance Plan.

The identification number assigned to the Plan by the Company is 501.

**Plan Administrator**

The Plan is administered by the Company.

### Authority of Plan Administrator

The Plan Administrator will be the sole judge of the application and interpretation of the Plan, and will have the discretionary authority to construe the provisions of the Plan, to resolve disputed issues of fact, and to make determinations regarding eligibility for benefits. The decisions of the Plan Administrator in all matters relating to the Plan (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties and generally will not be overturned by a court of law.

The duties of the Plan Administrator under the Plan will be carried out in its name by its officers and employees. The Plan Administrator may designate any person(s) to carry out fiduciary responsibilities under the Plan pursuant to a written instrument which specifies the fiduciary responsibilities assigned to each such person. Any person may serve in more than one fiduciary capacity with respect to the Plan. To the extent of any such delegation (but only to such extent), the delegate shall become the named fiduciary responsible for administration of the Plan, and references to the Plan Administrator shall apply instead to the delegate. Except as set forth above, any action by the Plan Administrator assigning any of its responsibilities to specific persons who are all employees of the Company shall not constitute delegation of the Plan Administrator's responsibility, but rather shall be treated as the manner in which the Company has determined internally to discharge such responsibility.

The Plan Administrator has contracted with an outside provider to maintain certain administrative services under the Plan. The services being performed by the outside provider include benefit determinations, review of denied benefit claims, enforcement of the Plan's subrogation and coordination of benefit provisions, etc. For more information about the outside provider and its duties under the Plan, contact the Human Resources Department.

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Plan records are kept on the basis of the calendar year.

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The Plan is funded through contributions by the Company.

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If, for some reason, a benefit is paid which is larger than the amount allowed by the Plan, the Plan has a right to recover the excess amount from the person or agency who received it. The person receiving benefits must produce any instruments or papers necessary to ensure this right of recovery.

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As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request of the Plan Administrator, who may make a reasonable charge for the copies.

In addition to creating rights for Plan members, ERISA imposes duties upon the people, called "fiduciaries", who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan have a duty to do so prudently and in the interest of you and all Plan participants and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider the claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Department of Labor; Pension and Welfare Benefits Administration.



Group Insurance Comparison  
Sandvik Inc. vs. SSM Current

Benefit	SSM Bargaining Unit Current	Sandvik Inc. (as of 1/1/15)
Employer Provided Basic Life	\$ 25,000.00	2X Base Annual Earnings. Max of \$600k
Employer Provided AD&D	\$ 25,000.00	2X Base Annual Earnings. Max of \$300k
Employee Paid Life	2x Base Annual straight time Max of \$100k	1 to 6x Base Annual Earnings. Max of \$750k
Employee Paid AD&D	2x Base Annual straight time Max of \$100k	Increments of \$10,000 up to max of 10x basic annual earnings. Max of \$750k.
Employee Paid High Limit Personal Accident for Employee and Family (for accidents only)	Max of \$150k for employee Up to 50% of employee coverage for spouse if no children Up to 40% of employee coverage for spouse and 15% per child-max \$10k	See Employee Paid AD&D Above See Employee Paid Dependent Life Below
Employee Paid Dependent Life	None	\$30,000 for Spouse (Legally married) \$10,000 for each child ( up to 19 yrs old or 23 if a full time student)
Employee Paid AD&D	2x Base Annual straight time Max of \$100k	Increments of \$10,000 up to max of 10x basic annual earnings. Max of \$750k.
Short Term Disability (STD)	First 15 days paid by employee Second 15 days paid by Company After 30 days goes to LTD	First 5 work days paid by employee 66 2/3% of base weekly salary up to Max of \$700 for up to 26 weeks. After 26 weeks goes to LTD
Long Term Disability (LTD)	60% of 1st \$8,333 of Pre-disability earnings. Max of \$5,000.	60% of base annual earnings. Max of \$10,000 Fully insured
SSM proposes to retain all of the terms & conditions of the existing Agreement except as expressly identified herein.		
SSM reserves the right to add to, delete from, or otherwise modify its proposal until Tentative Agreement is reached.		

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## Attachment A - Wage Progression

### Current language:

"Tier 2 employees (excluding Grades H and MH) will start at time of hire at 70% of the contract rate and will progress up the wage scale at the % from the table above for the first 18 months with an annual step of 2.5% per year of service. The progression shall continue until 100% of the contract rate is reached."

### Proposed language:

"Tier 2 employees (excluding Grade H and MH) will start at time of hire at 70% of the contract rate and will increase up the wage scale, at the % from the Wage Progression Chart attached, for the first 12 months and then with an annual step of 2.5% per year of service for the first 8 consecutive years and 5% per year of service for year 9 and 10. (Thus reducing the progression steps from 12 years to 10 years)."

"Tier 2 new hires will start at 90% of the Tier 2 rate. Their rate will increase to 95% of the Tier 2 rate at 6 months of service. Their rate will then increase to 100% of the Tier 2 rate at 1 year of service."

"Promotions from Operator II to Operator I will have only 1 pay rate for the Operator I classification based on the employee's Tier Group."

**3/5/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

**Attachment: Wage Progression Chart**

Distribution: Original – SSM  
.pdf                      – USW - Prescott

## ATTACHMENT A

### WAGE PROGRESSION CHART

April 13, 2015		Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
% increase	3.5%			63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 14.78	\$ 15.60	\$ 17.01	\$ 17.60	\$ 18.18	\$ 18.77	\$ 19.36
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
		Tier I	\$ 23.46	\$ 19.94	\$ 20.53	\$ 21.12	\$ 22.29	\$ 23.46	\$ 23.46	\$ 23.46
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 16.63	\$ 17.56	\$ 19.14	\$ 19.80	\$ 20.46	\$ 21.12	\$ 21.78
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
		Tier I	\$ 26.40	\$ 22.44	\$ 23.10	\$ 23.76	\$ 25.08	\$ 26.40	\$ 26.40	\$ 26.40
		Master Operator, Master Pilger Operator, Master Finishing Operator								
		\$ 27.56								
		Maintenance*		0	6 mos	9 mos	12 mos	15 mos	18 mos	
				90.0%	95.0%	95.0%	100.0%	100.0%	100.0%	
				\$ 27.02	\$ 28.52	\$ 28.52	\$ 30.03	\$ 30.03	\$ 30.03	\$ 30.03
		Master H								
		\$ 31.31								

---

Feb 1, 2016		Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
% increase	3.0%			63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 15.23	\$ 16.07	\$ 17.52	\$ 18.13	\$ 18.73	\$ 19.33	\$ 19.94
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
		Tier I	\$ 24.17	\$ 20.54	\$ 21.15	\$ 21.75	\$ 22.96	\$ 24.17	\$ 24.17	\$ 24.17
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 17.13	\$ 18.08	\$ 19.72	\$ 20.40	\$ 21.08	\$ 21.76	\$ 22.44
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
		Tier I	\$ 27.19	\$ 23.12	\$ 23.80	\$ 24.48	\$ 25.84	\$ 27.19	\$ 27.19	\$ 27.19
		Master Operator, Master Pilger Operator, Master Finishing Operator								
		\$ 28.39								
		Maintenance*		0	6 mos	9 mos	12 mos	15 mos	18 mos	
				90.0%	95.0%	95.0%	100.0%	100.0%	100.0%	
				\$ 27.83	\$ 29.38	\$ 29.38	\$ 30.93	\$ 30.93	\$ 30.93	\$ 30.93
		Master H								
		\$ 32.25								

## ATTACHMENT A

### WAGE PROGRESSION CHART

Feb 13, 2017		Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
% increase	3.0%			63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 15.68	\$ 16.55	\$ 18.05	\$ 18.67	\$ 19.29	\$ 19.91	\$ 20.54
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
Tier I		\$ 24.89			\$ 21.16	\$ 21.78	\$ 22.40	\$ 23.65	\$ 24.89	\$ 24.89
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 17.65	\$ 18.63	\$ 20.31	\$ 21.01	\$ 21.71	\$ 22.41	\$ 23.11
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
Tier I		\$ 28.01			\$ 23.81	\$ 24.51	\$ 25.21	\$ 26.61	\$ 28.01	\$ 28.01
Master Operator, Master Pilger Operator, Master Finishing Operator										\$ 29.24
		Maintenance*		0	6 mos	9 mos	12 mos	15 mos	18 mos	
				90.0%	95.0%	95.0%	100.0%	100.0%	100.0%	
				\$ 28.67	\$ 30.26	\$ 30.26	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.85
Master H										\$ 33.22

Feb 12, 2018		Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
% increase	3.0%			63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 16.15	\$ 17.05	\$ 18.59	\$ 19.23	\$ 19.87	\$ 20.51	\$ 21.15
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
Tier I		\$ 25.64			\$ 21.79	\$ 22.43	\$ 23.08	\$ 24.36	\$ 25.64	\$ 25.64
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
				\$ 18.18	\$ 19.19	\$ 20.92	\$ 21.64	\$ 22.36	\$ 23.08	\$ 23.80
				6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
				85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
Tier I		\$ 28.85			\$ 24.52	\$ 25.24	\$ 25.97	\$ 27.41	\$ 28.85	\$ 28.85
Master Operator, Master Pilger Operator, Master Finishing Operator										\$ 30.12
		Maintenance*		0	6 mos	9 mos	12 mos	15 mos	18 mos	
				90.0%	95.0%	95.0%	100.0%	100.0%	100.0%	
				\$ 29.53	\$ 31.17	\$ 31.17	\$ 32.81	\$ 32.81	\$ 32.81	\$ 32.81
Master H										\$ 34.21

## ATTACHMENT A

### WAGE PROGRESSION CHART

Feb 11, 2019

% increase 3.0%

Tier 2	Operator, II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
		63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
		\$ 16.64	\$ 17.56	\$ 19.15	\$ 19.81	\$ 20.47	\$ 21.13	\$ 21.79
		6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
		85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
Tier I	\$ 26.41	\$ 22.45	\$ 23.11	\$ 23.77	\$ 25.09	\$ 26.41	\$ 26.41	\$ 26.41
Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years	5 Years
		63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	82.5%
		\$ 18.72	\$ 19.76	\$ 21.54	\$ 22.29	\$ 23.03	\$ 23.77	\$ 24.52
		6 Years	7 Years	8 Years	9 Years	10 Years	11 Years	12 Years
		85.0%	87.5%	90.0%	95.0%	100.0%	100.0%	100.0%
Tier I	\$ 29.72	\$ 25.26	\$ 26.00	\$ 26.74	\$ 28.23	\$ 29.72	\$ 29.72	\$ 29.72
Master Operator, Master Pilger Operator, Master Finishing Operator								\$ 31.02
Maintenance*		0	6 mos	9 mos	12 mos	15 mos	18 mos	
		90.0%	95.0%	95.0%	100.0%	100.0%	100.0%	
		\$ 30.41	\$ 32.10	\$ 32.10	\$ 33.79	\$ 33.79	\$ 33.79	
Master H								\$ 35.24

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## **ARTICLE 30.3.1.4 – Thrift Savings Plan**

### **Current language:**

“Eligibility for participation occurs on the January 1 or July 1 coincident with or following one year of service.”

### **Proposed language:**

“Eligibility for participation occurs at any time following completion of one year of service.”

**3/5/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM                      Date

\_\_\_\_\_  
Gaylan Prescott – USW                      Date

Distribution: Original – SSM  
.pdf                      – USW - Prescott

# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 30.4.3.4 – Defined Contribution Plan

### Current language:

“Eligibility for participation occurs after 90 days of employment. Changes to the rate of employee contribution may be made once every 6 months on the January 1 or July 1 after the 6-month time period.”

### Proposed language:

“Eligibility for participation occurs at any time following 90 days of employment. Changes to the rate of employee contribution may be made at any time.”

**3/5/15 - The Union and the Company tentatively agree to the above language change.**

***Subject to agreement and ratification of all issues.***

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

Distribution: Original – SSM  
.pdf – USW - Prescott

TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

ARTICLE 30.3.1.3 - Thrift Savings Plan

Current language:

"An opportunity for the employee to make an additional CODA contribution of up to 10% of the employee's base weekly pay rate without Company matching. Under no circumstances shall the total CODA contribution exceed limits established by Federal regulations."

Proposed language:

"An opportunity for the employee to make an additional CODA contribution of up to 94% of the employee's weekly eligible compensation without Company matching. Under no circumstances shall the total CODA contribution exceed limits established by Federal regulations."

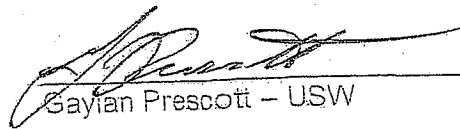
(same as DC Plan)

2/25/15- The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

\_\_\_\_\_  
Ken Idler - SSM

\_\_\_\_\_  
Date

  
Gaylan Prescott - USW

\_\_\_\_\_  
Date

Distribution: Original - SSM  
.pdf - USW - Prescott

TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

ARTICLE 30.3.1.2 – Thrift Savings Plan

Current language:

"A Company matching contribution of 50% of the employee's regular CODA contribution up to a maximum CODA contribution of 6% of the employee's base weekly pay rate."

Proposed language:

"A Company matching contribution of 50% of the employee's regular CODA contribution up to a maximum CODA contribution of 6% of the employee's weekly eligible compensation."

(same as DC Plan)

2/25/15- The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

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# TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ARTICLE 30.1 – Benefits – Insured Benefits

### Current language:

#### 30.1 Insured Benefits

30.1.1 The Company now has in effect the following insured benefit levels covering the employees in the bargaining unit:

30.1.1.1 Life Insurance and accidental death and dismemberment insurance in the amount of \$25,000. These plans are provided for actively employed employees at no cost to the employee.

30.1.1.2 Additional life insurance may be purchased by the employee in an amount equal to two times the employee's base annual straight-time rate of pay. Full cost of the additional life insurance to be borne by the employee.

#### 30.1.1.3 Health & Dental Insurance:

(No change to first 3 paragraphs; change to 4th paragraph)

... The Union recognizes that the Sandvik Plan is provided to all US employees of Sandvik, Inc. The cost sharing for the Sandvik Plan is determined by Sandvik, Inc. However, in no event will the cost sharing for USW represented employees exceed that of other non-organized Sandvik employees. The Sandvik Medical Benefits Plan is contributory. As of January 1, 2010, the monthly employee contribution (paid through payroll deductions) for active employees is as follows:

	<u>Medical</u>	<u>Dental</u>
Employee Only	\$ 73	\$11
Employee Plus One	\$145	\$22
Employee Plus Family	\$244	\$39

These rates are generally adjusted annually and are subject to adjustment on January 1 of each year."

Proposed language:

"30.4 Insured Benefits

30.1.1 The Company now has in effect the following insured benefit levels covering the employees in the bargaining unit:

30.1.1.1 Life Insurance and accidental death and dismemberment insurance. These plans are provided for actively employed employees at no cost to the employee. Please see the summary plan description for more information.

30.1.1.2 Additional life insurance, and accidental death and dismemberment insurance for the employee and dependent life insurance may be purchased by the employee. Full cost of the additional insurance to be borne by the employee.

30.1.1.3 Health & Dental Insurance:

(No change to first 3 paragraphs; change to 4<sup>th</sup> paragraph)

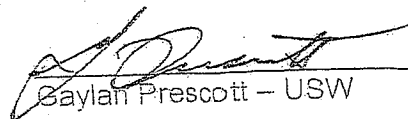
... The Union recognizes that the Sandvik Plan is provided to all US employees of Sandvik, Inc. The cost sharing for the Sandvik Plan is determined by Sandvik, Inc. However, in no event will the cost sharing for USW represented employees exceed that of other non-organized Sandvik employees. "

2/26/15 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

\_\_\_\_\_  
Ken Idler - SSM

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gaylan Prescott - USW

\_\_\_\_\_  
Date

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# TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals.LLC

## ARTICLE 29.5 - Personal Time - Disability Insurance

### Current language:

#### "29.5 Disability Insurance

- 29.5.1 An employee who is absent due to short-term illness or accident is eligible for short-term disability. The first-fifteen (15) calendar days of absence is not paid by the Company, but an employee may use accumulated sick and/or personal time, or vacation. The next fifteen (15) calendar days of absence will be paid at 100% of normal worked days subject to absence validation by a licensed physician.
- 29.5.2 After 30 days of short-term illness or accident, the absent employee will be eligible for long-term disability, subject to approval by the insurance carrier. Long-term disability premiums will be paid by the employee, and the employee will be reimbursed by the Company. The amount of coverage will not exceed 60%, as defined in the insurance carrier contract, of the employee's normal wage at the time of absence, and subject to a maximum of \$5,000 per month. Employee reimbursement will be non-taxable to the employee subject to IRS regulations.
- 29.5.3 Benefit duration will be to age 65 or upon receipt of social security benefits, and will be subject to pre-existing conditions for the first twelve (12) months by review of previous three (3) months."

### Proposed language:

#### "29.5 Disability Insurance


- 29.5.1 The Company will provide short-term disability benefits to union employees per the Sandvik Inc. Short Term Disability Plan. Benefits will commence on the 6<sup>th</sup> day of consecutive non-occupational disability and will be equal to 66-2/3% of their weekly base earnings up to a maximum of \$700 per week for a maximum of 26 weeks. Please see the summary plan description for more information.
- 29.5.2 The Company will provide long-term disability benefits to union employees per the Sandvik Inc. Group Insurance Plan summary plan description."

2/26/15 - The Union and the Company tentatively agree to the above language change.

Subject to agreement and ratification of all issues.

Ken Idler - SSIM

Date

  
Gaylan Prescott - USW

Date

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## TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

### ARTICLE 19.3 – Wages & Classification System – Pay for Temporary Transfers

#### Current language:

#### 19.3 Pay for Temporary Transfers

19.3.1 If an employee is temporarily assigned to another job classification which carries a higher stated maximum hourly rate than their own, the employee shall receive the rate in the rate range of the higher classification which is next higher than the employee's regular rate for all hours worked in the higher classification in that work day. Temporary assignment shall be defined as the assumption of the duties of the classification under normal supervision.

19.3.1.1 The single exception to Article 19.3.1 above is: When an employee is temporarily assigned only to the Calibrationist classification for an accumulated time of four (4) hours or less during the shift, the employee will be paid a minimum of four (4) hours pay at the maximum rate of the Grade H classification. If the accumulated time assigned to the Calibrationist classification exceeds four (4) hours during the shift, the employee will be paid eight (8) hours pay at the above rate.

19.3.2 When an employee has worked a cumulative total of 522 straight-time hours on temporary assignment in a higher classification, their rate of pay for ensuing temporary work in that classification shall be the next higher step in the Wage Progression Scale (Attachment A) of that higher classification. For each additional whole multiple of 522 hours worked in that higher classification, subsequent advancement on the Wage Progression Scale will occur. Where the Wage Progression Scale requires more than three months' service for a step increase, the cumulative total of 522 hours required for a step increase shall be increased by 174 cumulative hours for each additional month of service required. In no event shall the top pay step in any grade be exceeded.

19.3.3 When an employee performs work in another classification which carries a stated maximum rate lower than the rate for his regular job, in the case of a temporary transfer, they will be paid their regular rate during the term of such temporary transfer.

19.3.4 Straight-time hours, as used in this Article, means those hours which fall within the employee's assigned eight-hour shift. First and second day of rest, holidays and other hours subject to premium pay are excluded.

Proposed language:

19.3 Pay for Temporary Transfers

19.3.1 "Operator II on temporary assignments in a higher classification will be paid 10% above current rate of pay. Operator I on an upgraded temporary assignment will be paid the Master Grade rate. Master Grade on temporary assignment as Working Leader will be paid 10% above current rate of pay."

19.3.1.1 The single exception to Article 19.3.1 above is: When an employee is temporarily assigned only to the Calibrationist classification for an accumulated time of four (4) hours or less during the shift, the employee will be paid a minimum of four (4) hours pay at the maximum rate of the Grade H classification. If the accumulated time assigned to the Calibrationist classification exceeds four (4) hours during the shift, the employee will be paid eight (8) hours pay at the above rate.

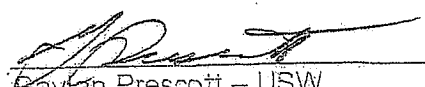
19.3.2 When an employee performs work in another classification which carries a stated maximum rate lower than the rate for his regular job, in the case of a temporary transfer, they will be paid their regular rate during the term of such temporary transfer."

2/25/15 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

Ken Idler - SSM

Date

  
Gaylan Prescott - USW

Date

Distribution: Original - SSM  
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## TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

### ARTICLE 19.2 – Wages & Classification System – Pay for Permanent Transfers

#### Current language:

#### "19.2 Pay for Permanent Transfers

- 19.2.1 An employee who is promoted to a classification which carries a higher stated maximum rate than the job from which he is being promoted will receive the rate in the new rate range which is next higher than the rate he previously was receiving, provided that straight-time hours worked temporarily in that higher classification to which promotion is being made will affect the rate received at the time of promotion as follows:
- 19.2.1.1 For each cumulative total of 522 straight-time hours, one step higher in the Wage Progression Scale (Attachment A) than that which without such temporary work, would have been appropriate.
- 19.2.1.2 Any fraction of 522 straight-time hours will count toward partial fulfillment of the time required in Attachment A to receive a step increase in the classification.
- 19.2.1.3 Where the Wage Progression Scale requires more than three months' service for a step increase, the cumulative total of 522 hours required for a step increase shall be increased by 174 cumulative hours for each additional month of service required."
- 19.2.1.4 In no event shall the top pay step of any grade be exceeded.
- 19.2.2 When an employee is permanently transferred to a classification with a lower stated maximum rate than the job which they formerly occupied, they shall receive the same rate as they were formerly being paid but not to exceed the maximum of the classification to which they are transferred.

Proposed language:

19.2 Pay for Permanent Transfers

19.2.1 "An employee who is promoted to a higher classification will receive the pay rate respective to their Tier level."


19.2.2 When an employee is permanently transferred to a classification with a lower stated maximum rate than the job which they formerly occupied, they shall receive the same rate as they were formerly being paid but not to exceed the maximum of the classification to which they are transferred.

2/25/15 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

Ken Idler - SSM

Date

  
Gaylan Prescott - USW

Date

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# TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

## ATTACHMENT A – Wage Progression Scale

### Current language:

"3% increase Dec. 12, 2010  
3% increase Dec. 13, 2011  
3.5% increase Dec. 10, 2012  
3.5% increase Dec. 9, 2013  
\*\*Increases are effective the first full pay period of December

### Proposed language:

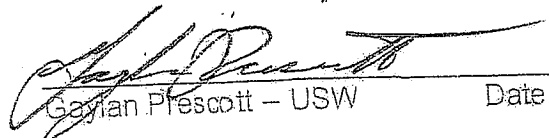
"3.5% increase first full pay period 30 days after ratification (2015)  
3% increase first full pay period February 2016  
3% increase first full pay period February 2017  
3% increase first full pay period February 2018  
3% increase first full pay period February 2019"

2/23/15 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

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## TENTATIVE AGREEMENT

Between  
United Steelworkers Local 12-369 and Sandvik Special Metals LLC

### ATTACHMENT B – Cost of Living Adjustment (COLA)

#### Current language:

#### "Section 1 - Purpose"

The wage rates set forth in Attachment A, "Wage Progression Scale", may be increased on the dates and in a manner provided for in this Attachment. Such increase, if any, will be based upon the Bureau of Labor Statistics Consumer Price Index, U. S. City Average - All Items, Urban Wage Earners & Clerical Workers. (1967=100), hereinafter referred to as "CPI".

If the CPI in its present form and calculated on the same basis shall be revised there from or discontinued, the parties shall determine a new CPI which most closely approximates the current CPI. If the parties cannot agree on the CPI to be used, the question shall be submitted to arbitration pursuant to Section 6.5 of this Agreement.

No adjustments retroactive or otherwise shall be made in the amount of the cost-of-living adjustment due to any revision which later may be made in the published figures for the CPI for any month on the basis of which the allowance shall have been determined.

#### Section 2 - COLA Formula

On the effective dates indicated below, for every full five-tenths percent (0.5 percent) increase in the CPI within the percentage limits and during the time periods set forth in Sections 3 and 4 below, the following increases shall be applied to each employee's base hourly rate:

- A. In December 2009 a 0.375 percent increase in the base hourly rate in effect December 2010.
- B. In December 2010 a 0.375 percent increase in the base hourly rate in effect December 2011.
- C. In December 2011 a 0.375 percent increase in the base hourly rate in effect December 2012.
- D. In December 2012 a 0.375 percent increase in the base hourly rate in effect December 2013.
- E. In December 2013 a 0.375 percent increase in the base hourly rate in effect December 2014.

These increases shall be subject to the limits and maximums specified in Section 4 below. Such cost-of-living adjustments will be applied in addition to the base rate percentage increases required by Attachment A of this Agreement (see example in Section 5 below):

### Section 3 - Effective Dates and Measurement Periods

<u>Effective Date</u>	<u>Measurement Periods</u>
December 2010	Difference between the CPI for December 2009 and December 2010
December 2011	Difference between the CPI for December 2010 and December 2011
December 2012	Difference between the CPI for December 2011 and December 2012
December 2013	Difference between the CPI for December 2012 and December 2013
December 2014	Difference between the CPI for December 2013 and December 2014

### Section 4 - Maximum Payments

Notwithstanding the foregoing, the calculation of the amount of any monetary increase provided for in Section 2 of this Attachment shall be limited to, on an annual basis, the percent rise in the CPI itself during each of the time periods and within the percentage limits specified below:

- A. Using the CPI between December 2009 and December 2010, that percentage increase in the CPI which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2010.
- B. Using the CPI between December 2010 and December 2011, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2011.
- C. Using the CPI between December 2011 and December 2012, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2012.
- D. Using the CPI between December 2012 and December 2013, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2013.

### Section 5 - Example

Assuming an 8 percent increase in CPI between December 2009 and December 2010, the COLA adjustment effective December 2010 would be calculated as follows:

$$8 \text{ percent} - 4.0 \text{ percent} = 4.0 \text{ percent}$$

$$4.0 \text{ percent divided by } .5 = 8$$

$$8 \times .375 \text{ percent} = 3.0 \text{ percent (COLA adjustment)}$$

$$3.0 \text{ percent} = \text{percent increase in base rate}''$$

Proposed language:

"Section 1 - Purpose

The wage rates set forth in Attachment A, "Wage Progression Scale", may be increased on the dates and in a manner provided for in this Attachment. Such increase, if any, will be based upon the Bureau of Labor Statistics Consumer Price Index, U. S. City Average - All Items, Urban Wage Earners & Clerical Workers, (1967=100), hereinafter referred to as "CPI".

If the CPI in its present form and calculated on the same basis shall be revised there from or discontinued, the parties shall determine a new CPI which most closely approximates the current CPI. If the parties cannot agree on the CPI to be used, the question shall be submitted to arbitration pursuant to Section 6.5 of this Agreement.

No adjustments retroactive or otherwise shall be made in the amount of the cost-of-living adjustment due to any revision which later may be made in the published figures for the CPI for any month on the basis of which the allowance shall have been determined.

Section 2 - COLA Formula

On the effective dates indicated below, for every full five-tenths percent (0.5 percent) increase in the CPI within the percentage limits and during the time periods set forth in Sections 3 and 4 below, the following increases shall be applied to each employee's base hourly rate:

- F. In December 2014 a 0.375 percent increase in the base hourly rate in effect December 2015.
- G. In December 2015 a 0.375 percent increase in the base hourly rate in effect December 2016.
- H. In December 2016 a 0.375 percent increase in the base hourly rate in effect December 2017.
- I. In December 2017 a 0.375 percent increase in the base hourly rate in effect December 2018.
- J. In December 2018 a 0.375 percent increase in the base hourly rate in effect December 2019.

These increases shall be subject to the limits and maximums specified in Section 4 below. Such cost-of-living adjustments will be applied in addition to the base rate percentage increases required by Attachment A of this Agreement (see example in Section 5 below):

Section 3 - Effective Dates and Measurement Periods

<u>Effective Date</u>	<u>Measurement Periods</u>
December 2015	Difference between the CPI for December 2014 and December 2015
December 2016	Difference between the CPI for December 2015 and December 2016
December 2017	Difference between the CPI for December 2016 and December 2017
December 2018	Difference between the CPI for December 2017 and December 2018
December 2019	Difference between the CPI for December 2018 and December 2019

**Section 4 - Maximum Payments**

Notwithstanding the foregoing, the calculation of the amount of any monetary increase provided for in Section 2 of this Attachment shall be limited to, on an annual basis, the percent rise in the CPI itself during each of the time periods and within the percentage limits specified below:

- E. Using the CPI between December 2014 and December 2015, that percentage increase in the CPI which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2015.
- F. Using the CPI between December 2015 and December 2016, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due in December 2016.
- G. Using the CPI between December 2016 and December 2017, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2017.
- H. Using the CPI between December 2017 and December 2018, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on December 2018.

**Section 5 - Example**

Assuming an 8 percent increase in CPI between December 2014 and December 2015, the COLA adjustment effective December 2015 would be calculated as follows:

$$\begin{aligned} 8 \text{ percent} - 4.0 \text{ percent} &= 4.0 \text{ percent} \\ 4.0 \text{ percent divided by } .5 &= 8 \\ 8 \times .375 \text{ percent} &= 3.0 \text{ percent (COLA adjustment)} \\ 3.0 \text{ percent} &= \text{percent increase in base rate} \end{aligned}$$

2/25/15-- The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

\_\_\_\_\_  
Ken Idler – SSM

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gaylan Prescott – USW

\_\_\_\_\_  
Date

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TENTATIVE AGREEMENT

Between

United Steelworkers Local 12-369 and Sandvik Special Metals LLC

- MOU dated 7/28/10 (see 1/29/10 CBA)
- MOU dated 11/07/06 (see 1/29/10 CBA)
- MOU dated 5/01/08 (see 1/29/10 CBA)
- MOU dated 3/24/06 (see 1/29/10 CBA)
- MOU - no date - (see 1/29/10 CBA)

Current language:

See 1/29/10 CBA for specific MOU language.

Proposed language:

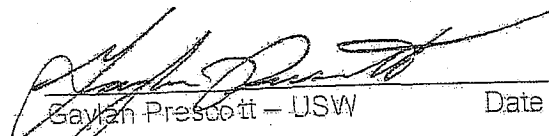
USW and SSM will work in collaboration to incorporate the above MOUs into the body of the contract within 60 days after ratification. Failure to do so shall result in renewal of all MOUs attached to the new CBA.

2/25/15 - The Union and the Company tentatively agree to the above language change.

*Subject to agreement and ratification of all issues.*

\_\_\_\_\_  
Ken Idler - SSM

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gaylen Prescott - USW

\_\_\_\_\_  
Date

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