



NEWS RELEASE
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Contact: Sherwin Media
(361) 777-2283

Sherwin Alumina Offers USW Revised Contract Proposal that Reflects Employees' Needs, Market Realities

Company Seeking to Work with the Union to Reach a Settlement, End Work Stoppage

GREGORY, TX – December 4, 2015 – Representatives from Sherwin Alumina and the United Steelworkers union met this week to resume collective bargaining negotiations for a contract covering hourly employees at Sherwin's Gregory, TX facility. The Company offered a revised contract proposal that addresses the key financial terms important to employees and their families and that reflects the competitive realities facing Sherwin and the industry in general.

"Every group that contributes to our cost structure must pitch in and help – including the hourly workers. We have to establish a cost structure that makes the plant competitive immediately," Sherwin negotiators told the USW at the bargaining table. "Our previous goals of moderating growth in costs is no longer valid; we must make immediate and significant changes to our costs in order to compete.

Sherwin's current benefits load for its USW-represented hourly workforce is 64 percent, a figure that is unsustainable for success or survival.

"We need cooperation from the USW to set a wage and benefits package that is fair to the workers and to the Company, and that allows us to recruit and retain our labor needs," the Company said.

Sherwin's proposal would maintain current hourly wages and provide annual incentive bonuses based on company performance. The proposal would also provide affordable healthcare coverage for employees and their families, with average monthly contributions at less than what employees at the average American company pay.

During negotiations, Sherwin reiterated the facts it shared in a November 13 letter to union leaders that there is a "continuing significant deterioration of the economic conditions in which we operate," and that the Company wants to work with the union to reach an agreement that ensures "our union workers may have jobs to return to upon conclusion of our negotiations."

Since bargaining began in 2014, there has been a free fall in all commodity prices, but aluminum and alumina have been among the most heavily impacted, with aluminum also trading at lows not seen since the 2009 financial crisis. In fact, since Sherwin and the USW last met in November, the selling price of alumina has dropped another \$17/t, representing a significant market collapse.

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“At these low selling prices, our cash flow situation is unsustainable...we are currently evaluating all options to resolve our situation, including further production curtailment, hot idling of the plant, mothballing of the plant, closing or sale, expense and debt management, and further workforce and cost reductions,” the Company stated in its letter. “The willingness of the USW to work with us on resolving our issues has a direct impact on our path forward. We would expect the union to want to save the jobs of its members, jobs that provide outstanding benefits and paid an average of almost \$81,000 in 2013. These are good jobs.”

Additional details about the Company’s revised proposal, a copy of the November 13 letter and other contract bargaining updates are available at www.SherwinNegotiationsUpdate.com.

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