

# JOY GLOBAL INC

## FORM 10-Q (Quarterly Report)

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Symbol JOY  
SIC Code 3532 - Mining Machinery and Equipment, Except Oil and Gas Field Machinery and Equipment  
Industry Constr. & Agric. Machinery  
Sector Capital Goods  
Fiscal Year 10/28

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q**

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(MARK ONE)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED **January 29, 2016**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD from \_\_\_\_\_ to \_\_\_\_\_

Commission File number **001-09299**

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**JOY GLOBAL INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State of Incorporation)

**39-1566457**  
(I.R.S. Employer Identification No.)

**100 East Wisconsin Ave, Suite 2780  
Milwaukee, Wisconsin 53202**  
(Address of Principal Executive Offices) (Zip Code)

**(414) 319-8500**  
(Registrant's Telephone Number, Including Area Code)

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files.) Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

LARGE ACCELERATED FILER  ACCELERATED FILER

NON-ACCELERATED FILER  SMALLER REPORTING COMPANY

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class  
Common Stock, \$1 par value

February 26, 2016  
97,931,858

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FORM 10-Q INDEX  
January 29, 2016**

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### **Forward-Looking Statements**

This document contains forward-looking statements, including estimates, projections, statements relating to our business plans, objectives, pending acquisitions, expected operating results and other non-historical information, and the assumptions on which those statements are based. These statements constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements are identified by forward-looking terms such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "indicate," "intend," "may be," "objective," "plan," "potential," "predict," "should," "will be," and similar expressions. Forward-looking statements are based on current expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from any forward-looking statement. In addition, certain market outlook information and other market statistical data contained herein is based on third party sources that we cannot independently verify, but that we believe to be reliable. Important factors that could cause our actual results to differ materially from the results anticipated by the forward-looking statements include general economic and industry conditions in the markets in which we operate, risks associated with conducting business in foreign countries, risks associated with acquisitions and the other risks discussed in Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for our fiscal year ended October 30, 2015 and in other filings that we make with the U.S. Securities and Exchange Commission (the "SEC"). Any or all of these factors could cause our results of operations, financial condition or liquidity for future periods to differ materially from those expressed in or implied by any forward-looking statement. Furthermore, there may be other factors that could cause our actual results to differ materially from the results referred to in the forward-looking statements. We undertake no obligation to update or revise any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events, except as required by law.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(In thousands, except per share data)**

	Quarter Ended	
	January 29, 2016	January 30, 2015
Net sales	\$ 526,300	\$ 703,873
Cost of sales	438,256	517,569
Product development, selling and administrative expenses	110,413	130,394
Restructuring expenses	26,659	665
Other income	(3,941)	(3,213)
Operating (loss) income	(45,087)	58,458
Interest income	807	2,940
Interest expense	(12,923)	(15,897)
(Loss) income before income taxes	(57,203)	45,501
(Benefit) provision for income taxes	(16,982)	14,976
Net (loss) income	\$ (40,221)	\$ 30,525
Basic (loss) earnings per share	\$ (0.41)	\$ 0.31
Diluted (loss) earnings per share	\$ (0.41)	\$ 0.31
Dividends per share	\$ 0.01	\$ 0.20
Weighted average shares outstanding:		
Basic	97,851	97,547
Diluted	97,851	98,138

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(Unaudited)**  
**(In thousands)**

	Quarter Ended	
	January 29, 2016	January 30, 2015
Net (loss) income	\$ (40,221)	\$ 30,525
Other comprehensive (loss) income:		
Change in unrecognized prior service costs on pension and other postretirement obligations, net of taxes of \$104 and \$15	46	35
Derivative instrument fair market value adjustment, net of (benefits) taxes of (\$146) and \$1,520	(346)	3,688
Foreign currency translation adjustment on long-term intercompany foreign loans	3,380	(10,893)
Other foreign currency translation adjustment	(35,443)	(109,829)
Total other comprehensive loss, net of taxes	(32,363)	(116,999)
Comprehensive loss	\$ (72,584)	\$ (86,474)

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(In thousands)**

	January 29, 2016	October 30, 2015
	(unaudited)	(audited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 139,933	\$ 102,885
Accounts receivable, net	650,931	812,073
Inventories	962,663	1,007,925
Other current assets	110,879	145,559
Total current assets	1,864,406	2,068,442
Property, plant and equipment, net	752,448	792,032
Other assets:		
Other intangible assets, net	249,678	255,710
Goodwill	354,627	354,621
Deferred income taxes	149,641	118,913
Other non-current assets	109,934	122,728
Total other assets	863,880	851,972
Total assets	<u>\$ 3,480,734</u>	<u>\$ 3,712,446</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term borrowings, including current portion of long-term obligations	\$ 29,532	\$ 26,321
Trade accounts payable	216,408	275,789
Employee compensation and benefits	78,743	90,335
Advance payments and progress billings	235,508	229,470
Accrued warranties	50,518	52,146
Other accrued liabilities	211,368	225,277
Current liabilities of discontinued operations	11,582	11,582
Total current liabilities	833,659	910,920
Long-term obligations	992,740	1,060,643
Other liabilities:		
Liabilities for postretirement benefits	17,296	19,540
Accrued pension costs	178,513	175,699
Other non-current liabilities	114,108	125,635
Total other liabilities	309,917	320,874
Shareholders' equity	1,344,418	1,420,009
Total liabilities and shareholders' equity	<u>\$ 3,480,734</u>	<u>\$ 3,712,446</u>

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**

	Quarter Ended	
	January 29, 2016	January 30, 2015
<b>Operating Activities:</b>		
Net (loss) income	\$ (40,221)	\$ 30,525
Adjustments to continuing operations:		
Depreciation and amortization	40,087	33,679
Changes in deferred income taxes	(849)	14,479
Contributions to defined benefit employee pension and postretirement plans	(1,418)	(10,846)
Defined benefit employee pension and postretirement plan expense (income)	6,217	(6,186)
Share-based compensation expense	4,367	7,554
Changes in long-term receivables	6,740	2,350
Other adjustments to continuing operations, net	3,589	833
Changes in working capital items attributed to continuing operations:		
Accounts receivable, net	146,678	138,034
Inventories	26,917	(113,544)
Other current assets	(2,658)	(16,370)
Trade accounts payable	(54,900)	(65,315)
Employee compensation and benefits	(8,883)	(48,076)
Advance payments and progress billings	8,957	42,497
Accrued warranties	(85)	(6,593)
Other accrued liabilities	(25,949)	(21,376)
Net cash provided (used) by operating activities	108,589	(18,355)
<b>Investing Activities:</b>		
Property, plant and equipment acquired	(8,103)	(22,258)
Proceeds from sale of property, plant and equipment	9,167	756
Other investing activities, net	122	141
Net cash provided (used) by investing activities	1,186	(21,361)
<b>Financing Activities:</b>		
Common stock issued	—	273
Dividends paid	(997)	(19,489)
Repayments of term loan	(4,687)	—
Payments on credit agreement	(58,600)	—
Repayments of short term debt	(1,507)	—
Financing fees	(1,011)	—
Treasury stock purchased	—	(50,000)
Other financing activities, net	—	440
Net cash used by financing activities	(66,802)	(68,776)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5,925)	(9,373)
Increase (Decrease) in Cash and Cash Equivalents	37,048	(117,865)
Cash and Cash Equivalents at Beginning of Period	102,885	270,191
Cash and Cash Equivalents at End of Period	\$ 139,933	\$ 152,326

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**CONDENSED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. Description of Business**

Joy Global Inc. (the "Company," "we" and "us") is a leading manufacturer and servicer of high productivity mining equipment for the extraction of metals and minerals. We manufacture and market original equipment and parts and perform services for both underground and surface mining, as well as certain industrial applications. Our equipment is used in major mining regions throughout the world to mine coal, copper, iron ore, oil sands, gold and other minerals. We operate in two business segments: Underground Mining Machinery ("Underground") and Surface Mining Equipment ("Surface"). We are a major manufacturer of underground mining machinery for the extraction and haulage of coal and other bedded minerals. We are also a major producer of surface mining equipment for the extraction and haulage of copper, coal and other minerals and ores. We offer comprehensive direct service, which includes our smart service offerings, near major mining regions worldwide and provide extensive operational support for many types of equipment used in mining. Our principal manufacturing facilities are located in the United States, including facilities in Alabama, Pennsylvania, Texas and Wisconsin, and internationally, including facilities in Australia, Canada, China, South Africa, the United Kingdom and France.

**2. Basis of Presentation**

The Condensed Consolidated Financial Statements presented in this Quarterly Report on Form 10-Q are unaudited and are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to SEC rules and regulations. In our opinion, all adjustments necessary for the fair presentation on a going concern basis of the results of operations, cash flows and financial position for all periods presented have been made. All such adjustments made are of a normal recurring nature. The preparation of the financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate realization of assets and settlement of liabilities in the future could differ from those estimates.

These financial statements should be read in conjunction with the financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended October 30, 2015 . The results of operations for any interim period are not necessarily indicative of the results to be expected for the full year. Further, results for all periods presented reflect the voluntary change in our method of accounting for actuarial gains and losses and the calculation of our expected return on plan assets for all of our pension and other post-retirement benefit plans as discussed further in our Form 10-K for the year ended October 30, 2015.

**3. Acquisitions**

*Acquisition of Montabert S.A.S.*

On June 1, 2015 , we completed the acquisition of 100% of the equity of Montabert S.A.S. ("Montabert") for approximately \$ 121.5 million dollars, gross of cash acquired of \$ 7.1 million dollars. Montabert specializes in the design, production and distribution of high quality hydraulic rock breakers, pneumatic equipment, drilling attachments, drifters and related parts and tools. This acquisition expands the Company's product and service capabilities for hard rock mining, tunneling and rock excavation, further diversifying our commodity and end market exposures. Montabert's results of operations have been included as part of the Underground segment from the date of the acquisition forward.

In connection with the acquisition, we recorded goodwill of approximately \$ 55.5 million and intangible assets of approximately \$ 35.1 million . The intangible assets are primarily comprised of customer relationships, trade names and patents, which are being amortized over their respective estimated useful lives. Other assets acquired consist of working capital related items and property, plant, and equipment, with values that are not individually significant.

**4. Inventories**

Consolidated inventories consist of the following:

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<u>In thousands</u>	<u>January 29, 2016</u>	<u>October 30, 2015</u>
Finished goods	746,868	\$ 814,306
Work in process	158,282	135,310
Raw materials	57,513	58,309
Total inventories	<u>\$ 962,663</u>	<u>\$ 1,007,925</u>

Finished goods include finished components and parts in addition to any finished equipment.

### 5. Goodwill and Other Intangible Assets

Finite-lived intangible assets are amortized to reflect the pattern of economic benefits consumed, which is principally the straight-line method. Intangible assets that are subject to amortization are evaluated for potential impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. No impairment was identified related to our finite-lived intangible assets as of either January 29, 2016 or January 30, 2015.

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. Goodwill is assigned to specific reporting units, and is tested for impairment at least annually, during the fourth quarter of our fiscal year, or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value. Due to the prolonged suppressed global commodity markets, its related effect on the global mining investment environment and the resulting impact on our stock price, our total shareholders' equity exceeded our market capitalization during the quarter ended January 29, 2016, indicating the possibility of an impairment to goodwill. Based on this indicator of impairment, we performed an interim test for impairment of goodwill as of the last day of our fiscal first quarter. This test was focused on our Surface reporting unit, as all Underground goodwill was fully impaired in the fourth quarter of fiscal 2015. After completing our step one analysis, we determined that the estimated fair value of our Surface reporting unit exceeded its carrying value. Although we have concluded that there is no impairment on the goodwill of \$354.6 million associated with our Surface segment as of the quarter ended January 29, 2016, we will continue to closely monitor this in the future considering the volatility and uncertainty in the markets. Should there be further market declines and/or a market capitalization that continues to be lower than our total shareholders' equity in future periods, there is increasing risk that Surface segment goodwill may be impaired.

### 6. Warranties

We provide for the estimated costs that may be incurred under product warranties to remedy deficiencies of quality or performance of our products. Warranty costs are accrued at the time revenue is recognized. These product warranties extend over either a specified period of time, units of production or machine hours depending on the product subject to the warranty. We accrue a provision for estimated future warranty costs based on the historical relationship of warranty costs to sales. We periodically review the adequacy of the accrual for product warranties and adjust the warranty percentage and accrued warranty reserve for actual experience as necessary.

The following table reconciles the changes in the product warranty reserve:

<u>In thousands</u>	<u>Quarter Ended</u>	
	<u>January 29, 2016</u>	<u>January 30, 2015</u>
Balance, beginning of period	52,146	\$ 67,272
Accrual for warranty expensed during the period	6,894	6,180
Settlements made during the period	(6,992)	(11,375)
Effect of foreign currency translation	(1,530)	(3,549)
Balance, end of period	<u>\$ 50,518</u>	<u>\$ 58,528</u>

### 7. Borrowings and Credit Facilities

On July 29th, 2014, we entered into a revolving credit agreement that matures on July 29, 2019 (the "Credit Agreement"). On December 14, 2015, we entered into an amendment to our Credit Agreement that increases the maximum consolidated leverage ratio from a limit of 3.0x beginning in the second quarter of fiscal 2016 and continuing through the first quarter of fiscal 2018, with a maximum ratio of 4.5x for the fourth quarter of fiscal 2016 through the second quarter of fiscal 2017. The amendment also reduced the aggregate amount of revolving commitments of the lenders from \$ 1.0 billion to \$ 850.0 million and added a letter of credit sublimit of \$ 500.0 million. In addition, we also agreed to limit priority debt (secured indebtedness and the unsecured

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indebtedness of our foreign subsidiaries) to 10% of consolidated net worth and to limit cash dividends to \$ 25.0 million per year in the aggregate. We may continue to request an increase of up to \$250.0 million of additional aggregate revolving commitments, subject to the terms and conditions contained in the Credit Agreement. Under the terms of the Credit Agreement, we pay a commitment fee ranging from 0.09% to 0.30% on the unused portion of the revolving credit facility based on our credit rating. Letters of credit issued under applicable provisions of the Credit Agreement represent an unfunded utilization of the Credit Agreement for purposes of calculating the periodic commitment fee due. Eurodollar rate loans bear interest for a period from the applicable borrowing date until a date one week or one, two, three or six months thereafter, as selected by the Company, at the corresponding Eurodollar rate plus a margin of 1.0% to 2.0% depending on the Company's credit rating. Base rate loans bear interest from the applicable borrowing date at a rate equal to (i) the highest of (a) the federal funds rate plus 0.5%, (b) the rate of interest in effect for such day as publicly announced by the administrative agent as its "prime rate," or (c) a daily rate equal to the one-month Eurodollar rate plus 1.0%, plus (ii) a margin that varies according to the Company's credit rating. Swing line loans bear interest at either the base rate described above or the daily floating Eurodollar rate plus the applicable margin, as selected by the Company. The Credit Agreement is guaranteed by each of our current and future material domestic subsidiaries and requires the maintenance of certain financial covenants, including leverage and interest coverage ratios. The Credit Agreement also restricts payment of dividends or other returns of capital to shareholders if the consolidated leverage ratio exceeds the maximum amount set forth therein. As of January 29, 2016, we were in compliance with all financial covenants of the Credit Agreement.

As of January 29, 2016, there were no direct borrowings under the Credit Agreement. Total interest expense recognized for direct borrowings under the Credit Agreement for the quarters ended January 29, 2016 and January 30, 2015 was \$0.5 million and \$0.2 million, respectively. Outstanding standby letters of credit issued under the Credit Agreement, which count toward the \$0.9 billion credit limit, totaled \$141.9 million. As of January 29, 2016, there was \$708.1 million available for borrowings under the Credit Agreement.

On July 29, 2014, we also entered into a term loan agreement that matures July 29, 2019 and provides for a commitment of up to \$375.0 million. The Term Loan replaced our prior term loan, dated as of June 16, 2011. The Prior Term Loan had been scheduled to mature on July 16, 2016 and provided an initial commitment of \$500.0 million, which had been drawn in full in conjunction with our fiscal 2011 acquisition of LeTourneau Technologies, Inc. and had been amortized to \$375.0 million at the date that we entered into the Term Loan. We utilized the \$375.0 million commitment under the Term Loan to repay the balance outstanding under the Prior Term Loan. On December 14, 2015, the Term Loan was amended to be consistent with the revolving Credit Agreement with respect to the maximum leverage ratio, restrictions on priority debt and dividends, and other restricted payments. The Term Loan requires quarterly principal payments beginning in fiscal 2016, of which \$ 4.7 million was paid during the quarter ended January 29, 2016, and contains terms and conditions that are the same as the terms and conditions of the Credit Agreement. The Term Loan is guaranteed by each of our current and future material domestic subsidiaries and requires the maintenance of certain financial covenants, including leverage and interest coverage ratios. As of January 29, 2016, we were in compliance with all financial covenants of the Term Loan.

On October 12, 2011, we issued \$500.0 million aggregate principal amount of 5.125% Senior Notes due in 2021 (the "2021 Notes") in an offering that was registered under the Securities Act. Interest on the 2021 Notes is paid semi-annually in arrears on October 15 and April 15 of each year, and the 2021 Notes are guaranteed by each of our current and future material domestic subsidiaries. At our option, we may redeem some or all of the 2021 Notes at a redemption price of the greater of 100% of the principal amount of the 2021 Notes to be redeemed or the sum of the present values of the principal amounts and the remaining scheduled interest payments using a discount rate equal to the sum of a treasury rate of a comparable treasury issue plus 0.5%.

In November 2006, we issued Senior Notes for an aggregate principal amount of \$ 150.0 million at 6.625% due 2036 (the "2036 Notes"). Interest on the 2036 Notes is paid semi-annually in arrears on May 15 and November 15 of each year, and the 2036 Notes are guaranteed by each of our current and future material domestic subsidiaries. The 2036 Notes were originally issued in a private placement under an exemption from registration provided by the Securities Act. In the second quarter of fiscal 2007, the 2036 Notes were exchanged for substantially identical 2036 Notes in an exchange that was registered under the Securities Act. At our option, we may redeem some or all of the 2036 Notes at a redemption price of the greater of 100% of the principal amount of the 2036 Notes to be redeemed or the sum of the present values of the principal amounts and the remaining scheduled interest payments using a discount rate equal to the sum of a treasury rate of a comparable treasury issue plus 0.375% for the 2036 Notes.

Our borrowings also include amounts related to transfers of certain receivables under factoring arrangements with recourse related to our French operations.

Direct borrowings and capital lease obligations consist of the following:

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<u>In thousands</u>	<u>January 29, 2016</u>	<u>October 30, 2015</u>
Domestic:		
Term Loan due 2019	370,313	375,000
5.125% Senior Notes due 2021	497,296	497,195
6.625% Senior Notes due 2036	148,561	148,553
Credit Agreement	—	58,600
Foreign:		
Capital leases	62	159
Factoring arrangement	6,040	7,457
Total obligations	1,022,272	1,086,964
Less: Amounts due within one year	(29,532)	(26,321)
Long-term obligations	<u>\$ 992,740</u>	<u>\$ 1,060,643</u>

**8. Accumulated Other Comprehensive (Loss) Income**

Comprehensive (loss) income and its components are presented in the Condensed Consolidated Statements of Comprehensive Loss. Changes in accumulated other comprehensive (loss) income, net of taxes, consist of the following:

	<u>Quarter ended January 29, 2016</u>				<u>Quarter ended January 30, 2015</u>			
	<u>Change in Unrecognized Prior Service Costs on Pension and Other Postretirement Obligations</u>	<u>Derivative Instrument Fair Market Value Adjustment</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Total</u>	<u>Change in Unrecognized Prior Service Costs on Pension and Other Postretirement Obligations</u>	<u>Derivative Instrument Fair Market Value Adjustment</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Total</u>
Beginning balance	\$ (1,282)	\$ 10,294	\$ (156,084)	\$ (147,072)	\$ (1,486)	\$ 4,736	\$ (9,530)	\$ (6,280)
Other comprehensive (loss) income before reclassifications, net of taxes	—	(790)	(32,063)	(32,853)	—	2,620	(120,722)	(118,102)
Amounts reclassified from accumulated other comprehensive (loss) income, net of taxes	46	444	—	490	35	1,068	—	1,103
Total other comprehensive (loss) income, net of taxes	46	(346)	(32,063)	(32,363)	35	3,688	(120,722)	(116,999)
Ending balance	<u>\$ (1,236)</u>	<u>\$ 9,948</u>	<u>\$ (188,147)</u>	<u>\$ (179,435)</u>	<u>\$ (1,451)</u>	<u>\$ 8,424</u>	<u>\$ (130,252)</u>	<u>\$ (123,279)</u>

Details of the reclassifications from accumulated other comprehensive (loss) income are disclosed below:

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	<b>Amounts Reclassified from Accumulated Other Comprehensive (Loss) Income</b>		<b>Affected Line Items in the Statements of Operations</b>
	<b>Quarter Ended</b>		
	<b>January 29, 2016</b>	<b>January 30, 2015</b>	
<b>Change in unrecognized prior service costs on pension and other postretirement obligations:</b>			
Amortization of prior service cost	\$ 50	\$ 50	Cost of sales/Product development, selling and administrative expense*
Curtailment loss	100	—	Administrative expense
Deferred tax	(104)	(15)	Provision for income taxes
<b>Amounts reclassified from accumulated other comprehensive income, net of taxes</b>	<b>\$ 46</b>	<b>\$ 35</b>	
<b>Derivative instrument fair market value adjustment:</b>			
Foreign exchange cash flow hedges	\$ 631	\$ 1,509	Net sales/Cost of sales**
Deferred tax	(187)	(441)	Provision for income taxes
<b>Amounts reclassified from accumulated other comprehensive income (loss), net of taxes</b>	<b>\$ 444</b>	<b>\$ 1,068</b>	
<b>Total reclassifications for the period</b>	<b>\$ 490</b>	<b>\$ 1,103</b>	

\* Amounts are included in the computation of net periodic benefits costs as either cost of sales or product development, selling and administrative expense as appropriate. Refer to Note 12, *Retiree Benefits*, for additional information.

\*\* Amounts are included in either net sales or cost of sales as appropriate. Refer to Note 13, *Derivatives*, for additional information.

## 9. Shareholders' Equity

In August 2013, our Board of Directors authorized the Company to repurchase up to \$1.0 billion in shares of our common stock until August 2016. Under the program, the Company may repurchase shares in the open market in accordance with applicable SEC rules and regulations. During the quarter ended January 29, 2016, we did not repurchase any shares of common stock. During the quarter ended January 30, 2015, we purchased 954,580 shares of common stock for approximately \$50.0 million. The shares purchased during the first quarter of fiscal 2015 represent the latest purchases to date under the program. Since the program's inception, the Company has repurchased 9,771,605 shares of common stock under the program for approximately \$533.4 million, leaving \$466.6 million available under the program.

## 10. Share-Based Compensation

Total share-based compensation expense recognized for the quarters ended January 29, 2016 and January 30, 2015 is \$ 4.4 million and \$ 7.6 million, respectively. The decline in expense from share-based compensation results from our quarterly reassessment of performance related measures. The total share-based compensation expense is reflected in our Condensed Consolidated Statements of Cash Flows in operating activities as an add back to net income.

The corresponding deferred tax assets recognized related to the share-based compensation are \$1.3 million and \$ 1.9 million for the quarters ended January 29, 2016 and January 30, 2015, respectively.

## 11. Restructuring Charges

During fiscal 2015, in response to the adverse market conditions, the Company made decisions to implement further cost reduction initiatives, which we refer to as the Restructuring Program. Expected and actual costs related to the Restructuring Program have continued into 2016 as more activities have been planned and initiated. These costs include entering into severance and termination agreements and full or partial closures of certain facilities in order to better align the Company's overall cost structure with anticipated levels of future demand. At this time, the Restructuring Program is currently expected to be completed by the end of fiscal 2017.

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Restructuring charges incurred to date related to the Restructuring Program have primarily consisted of employee severance and termination costs and accelerated depreciation. We also incurred and paid approximately \$ 0.7 million of other cash related costs, consisting primarily of legal costs and equipment relocation costs. The following table summarizes the total expected costs from inception of the Restructuring Program through fiscal 2017 and the amounts incurred to date by segment as it relates to employee severance related costs and accelerated depreciation:

<u>In thousands</u>	<u>Underground</u>	<u>Surface</u>	<u>Corporate</u>	<u>Consolidated</u>
<b>Employee Severance and Termination Costs</b>				
Total expected costs from inception of program through fiscal 2017	\$ 50,420	\$ 17,715	\$ 2,980	\$ 71,115
Amount incurred for the year ended October 30, 2015	\$ 16,340	\$ 12,451	\$ 2,585	\$ 31,376
Amount incurred for the quarter ended January 29, 2016*	\$ 20,194	\$ 564	\$ 395	\$ 21,153

\* The amount incurred during the quarter ended January 29, 2016 includes \$9.6 million of expenses for special termination benefits under the Joy Global qualified pension plan as part of continued restructuring activities in our Underground division. As noted below, amounts accrued for special termination benefits are included in our retiree benefit liabilities.

<u>In thousands</u>	<u>Underground</u>	<u>Surface</u>	<u>Corporate</u>	<u>Consolidated</u>
<b>Accelerated Depreciation</b>				
Total expected costs from inception of program through fiscal 2017	\$ 15,358	\$ 600	\$ —	\$ 15,958
Amount incurred for the year ended October 30, 2015	\$ 2,079	\$ —	\$ —	\$ 2,079
Amount incurred for the quarter ended January 29, 2016	\$ 4,779	\$ —	\$ —	\$ 4,779

Amounts impacting the Company's reserves for restructuring charges for its Restructuring Program relate to employee severance and termination costs as follows:

<u>In thousands</u>	<u>Quarter Ended January 29, 2016</u>
Beginning accrual	\$ 13,613
Costs incurred	11,471
Costs paid/settled	(11,303)
Other adjustments	(2,544)
Effect of foreign currency translation	(46)
Ending accrual	\$ 11,191

Included in other adjustments is \$ 2.6 million of special termination benefits recognized in fiscal 2015 under the Joy Global qualified pension plan for benefits to be provided to certain employees as part of restructuring activities in our Underground division. Those amounts are recorded in our retiree benefit liabilities and are therefore excluded from the restructuring accrual rollforward above.

The Company expects to incur additional restructuring costs under its Restructuring Program, outside of employee severance and termination costs and accelerated depreciation, of approximately \$ 1.8 million related to actions taken on these programs and include expected legal, environmental, and lease related charges.

For the Restructuring Program, total restructuring charges are currently anticipated to be approximately \$ 90 million through fiscal 2017, with total expected cash costs related to the Restructuring Program estimated to be approximately \$ 74 million .

## 12. Retiree Benefits

The components of the net periodic benefit cost (income) associated with our pension and other postretirement plans are as follows:

<u>In thousands</u>	Pension Benefits		Postretirement Benefits	
	Quarter Ended		Quarter Ended	
	January 29, 2016	January 30, 2015	January 29, 2016	January 30, 2015
Service cost	\$ 1,226	\$ 977	\$ 191	\$ 253
Interest cost	18,736	19,657	305	300
Expected return on assets	(23,844)	(27,264)	(147)	(160)
Amortization of prior service cost	17	17	33	33
Curtailment charge	—	—	100	—
Special termination benefits	9,600	—	—	—
Net periodic benefit cost/(income)	\$ 5,735	\$ (6,613)	\$ 482	\$ 426

For the quarter ended January 29, 2016 , we contributed \$1.4 million to our defined benefit employee pension and other postretirement benefit plans, and we expect contributions to be approximately \$10.0 million for the full fiscal year.

During the quarter ended January 29, 2016 , we recognized \$ 9.6 million of special termination benefits under the Joy Global qualified pension plan for benefits to be provided to certain employees as part of restructuring activities in our Underground division.

### 13. Derivatives

We are exposed to certain foreign currency risks in the normal course of our global business operations. We enter into derivative contracts that are foreign currency forward contracts to hedge the risks of certain identified and anticipated transactions in currencies other than the functional currency of the respective operating unit. The types of risks hedged are those arising from the variability of future earnings and cash flows caused by fluctuations in foreign currency exchange rates. These contracts are for forecasted transactions and committed receivables and payables denominated in foreign currencies and are not entered into for speculative purposes. Consequently, any market-related losses on the forward contract would be offset by changes in the value of the hedged item, and, as a result, we are generally not exposed to net market risk associated with these instruments.

Each derivative is classified as either a cash flow hedge, a fair value hedge or an undesignated instrument. All derivatives are recorded at fair value on the Condensed Consolidated Balance Sheets under the heading *Other current assets* or under the heading *Other accrued liabilities*, as appropriate. Cash flows from fair value and cash flow hedges are classified within the same category as the item being hedged on the Condensed Consolidated Statements of Cash Flows. Cash flows from undesignated derivative instruments are included in operating activities on the Condensed Consolidated Statements of Cash Flows.

The total notional amount of our derivatives at January 29, 2016 is \$ 615.0 million .

For derivative contracts that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative contract is recorded as a component of other comprehensive income, net of tax. This amount is reclassified into the statement of operations on the line associated with the underlying transaction for the periods in which the hedged transaction affects earnings. The amounts recorded in accumulated other comprehensive income for existing cash flow hedges are generally expected to be reclassified into earnings within one year, and all of the existing hedges will be reclassified into earnings by November 2017 . There was no ineffectiveness related to these contracts for the quarters ended January 29, 2016 and January 30, 2015 .

For derivative contracts that are designated and qualify as a fair value hedge, the gain or loss is recorded in the Condensed Consolidated Statements of Operations under the heading *Cost of sales* . For the quarters ended January 29, 2016 and January 30, 2015 , we recorded a loss of \$1.6 million and a loss of \$0.8 million , respectively, related to fair value hedges, which were offset by foreign exchange fluctuations of the underlying hedged item.

For derivative contracts entered into in order to hedge revaluation of net balance sheet exposures in non-functional currency that are not designated as a fair value hedge or a cash flow hedge, the gain or loss is recorded in the Condensed Consolidated Statements of Operations under the heading *Cost of sales* . For the quarters ended January 29, 2016 and January 30, 2015 , we recorded a gain of \$4.6 million and a gain of \$6.8 million , respectively, related to undesignated hedges, which were offset by foreign exchange fluctuations.

The following table summarizes the effect of cash flow hedges on the Condensed Consolidated Financial Statements:

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Derivative Hedging Relationship	Amount of (Loss) Gain Recognized in Other Comprehensive Income	Effective Portion	
		(Loss) Gain Reclassified from Accumulated Other Comprehensive Income into Earnings	
		Location	Amount
<b>Foreign currency forward contracts</b>			
Quarter ended January 29, 2016	\$ (1,124)	Cost of sales	\$ (485)
		Sales	(146)
Quarter ended January 30, 2015	\$ 3,699	Cost of sales	\$ (1,509)
		Sales	—

We are exposed to credit risk in the event of nonperformance by counterparties to the forward contracts. The contract amount, along with the other terms of the forward, determines the amount and timing of amounts to be exchanged, and the contract is generally subject to credit risk only when it has a positive fair value.

**14. Income Taxes**

In accordance with FASB Accounting Standards Codification 740, *Income Taxes*, each interim period is considered integral to the annual period and tax expense is measured using an estimated annual effective tax rate. An entity is required to record income tax expense each quarter based on its best estimate of the annual effective tax rate for the full fiscal year and use that rate to provide for income taxes on a current year-to-date basis, as adjusted for discrete taxable events that occur during the interim period. If, however, the entity is unable to reliably estimate its annual effective tax rate due to the Company's inability to forecast income by jurisdiction or as a result of rate volatility caused by minor changes in income when projecting near break-even earnings, then the actual effective tax rate for the year-to-date may be the best annual effective tax rate estimate. For the quarter ended January 29, 2016, the Company determined that the estimated annual effective rate method would not provide for a reliable estimate due to the volatility of income tax expense (benefit) to modest changes in forecasted annual pre-tax results. Therefore, the Company recorded a tax benefit for the quarter ended January 29, 2016 based on the actual effective rate (i.e. the "cut-off" method). The effective tax rate for the quarter ended January 30, 2015 was calculated based on an estimated annual effective tax rate in addition to discrete items.

For the quarter ended January 29, 2016, the Company recorded a benefit for income taxes from continuing operations of \$17.0 million that resulted in an effective tax rate of 29.7%. A net discrete tax benefit of \$0.8 million was recorded in the first quarter of fiscal 2016. For the quarter ended January 30, 2015, the Company recorded a provision for income taxes from continuing operations of \$15.0 million that resulted in an effective tax rate of 32.9%. A net discrete tax expense of \$0.4 million was recorded in the first quarter of fiscal 2015.

**15. (Loss) Earnings Per Share**

Basic (loss) earnings per share is computed by dividing net income by the weighted average number of shares outstanding during each period. Diluted earnings per share is computed similar to basic earnings per share, except that the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options, performance shares and restricted stock units, if dilutive.

The following table sets forth the computation of basic and diluted earnings per share:

In thousands, except per share amounts	Quarter Ended	
	January 29, 2016	January 30, 2015
<b>Numerator:</b>		
Net (loss) income	\$ (40,221)	\$ 30,525
<b>Denominator:</b>		
Weighted average shares outstanding	97,851	97,547
Dilutive effect of stock options, performance shares and restricted stock units	—	591
Weighted average shares outstanding assuming dilution	97,851	98,138
Basic (loss) earnings per share	\$ (0.41)	\$ 0.31
Diluted (loss) earnings per share	\$ (0.41)	\$ 0.31

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In the first quarter of fiscal 2016, the computation of weighted average shares outstanding assuming dilution does not include the effect of stock options, performance shares and restricted stock units because a loss from continuing operations existed and thus the result would have been antidilutive. Weighted average shares outstanding therefore excludes 5.3 million shares for these antidilutive items.

Options to purchase a weighted average of 2.3 million shares were excluded from the calculation of diluted earnings per share for the quarter ended January 30, 2015, as the effect would have been antidilutive.

### 16. Fair Value Measurements

GAAP establishes a three level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

*Level 1:* Quoted prices in active markets for identical instruments;

*Level 2:* Inputs, other than quoted prices in active markets, that are observable for the instrument either directly or indirectly or quoted prices for similar instruments in active markets; and

*Level 3:* Unobservable inputs for the instrument where there is little or no market data, which requires the reporting entity to develop its own assumptions.

GAAP requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value and disclose the fair value of long-term obligations recorded at cost as of January 29, 2016 and October 30, 2015. As of January 29, 2016 and October 30, 2015, we did not have any Level 3 assets or liabilities.

#### Fair Value Measurements as of January 29, 2016

<u>In thousands</u>	<u>Carrying Value</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
<b>Current Assets</b>				
Cash equivalents	\$ 8,780	\$ 8,780	\$ 8,780	\$ —
<b>Other Current Assets</b>				
Derivatives	\$ 12,290	\$ 12,290	\$ —	\$ 12,290
<b>Other Accrued Liabilities</b>				
Derivatives	\$ 7,458	\$ 7,458	\$ —	\$ 7,458
<b>Long-term Obligations Including Amounts due within One Year</b>				
Term Loan due 2019	\$ 370,313	\$ 364,334	\$ —	\$ 364,334
5.125% Senior Notes due 2021	\$ 497,296	\$ 356,930	\$ —	\$ 356,930
6.625% Senior Notes due 2036	\$ 148,561	\$ 94,871	\$ —	\$ 94,871

**Fair Value Measurements as of October 30, 2015**

<u>In thousands</u>	<u>Carrying Value</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
<b>Current Assets</b>				
Cash equivalents	\$ 9,831	\$ 9,831	\$ 9,831	\$ —
<b>Other Current Assets</b>				
Derivatives	\$ 20,267	\$ 20,267	\$ —	\$ 20,267
<b>Other Accrued Liabilities</b>				
Derivatives	\$ 10,577	\$ 10,577	\$ —	\$ 10,577
<b>Long-term Obligations Including Amounts due within One Year</b>				
Term Loan due 2019	\$ 375,000	\$ 373,668	\$ —	\$ 373,668
5.125% Senior Notes due 2021	\$ 497,195	\$ 446,680	\$ —	\$ 446,680
6.625% Senior Notes due 2036	\$ 148,553	\$ 119,310	\$ —	\$ 119,310
Credit Agreement	\$ 58,600	\$ 58,600	\$ —	\$ 58,600

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash equivalents : The carrying value of cash equivalents approximates fair value based on the short-term nature of these instruments.

Derivatives : The fair value of forward foreign exchange contracts is based on a valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate.

Term Loan : The fair value of the Term Loan is estimated using discounted cash flows and market conditions.

Senior Notes : The fair market value of the senior notes is estimated based on market quotations of similar instruments at the respective period end.

Credit Agreement : The carrying value of the revolving credit facility approximates fair value based on the short-term nature of these borrowings.

**17. Contingent Liabilities**

We establish reserves based on our assessment of contingencies related to legal claims asserted against us, as required by GAAP. Developments during the course of legal proceedings may affect our assessments and estimates of our contingencies, which in turn may require us to record or change the amount of a reserve, or make a payment that is different than the amount that we have reserved. In addition, as a normal part of operations, our subsidiaries undertake contractual obligations, warranties and guarantees in connection with the sale of products or services. Although the outcome of these matters cannot be predicted with certainty and favorable or unfavorable resolutions may affect the results of operations on a quarter-to-quarter basis, we believe that the outcome of such legal and other matters will not have a materially adverse effect on our future consolidated financial position, results of operations or liquidity.

We and our subsidiaries are involved in various unresolved legal matters that arise in the normal course of operations, the most prevalent of which relate to product liability (including approximately 3,530 asbestos and silica-related cases), employment and commercial matters. We and our subsidiaries also become involved from time to time in proceedings relating to environmental matters and litigation arising outside the ordinary course of business.

As of January 29, 2016, we were contingently liable to banks, financial institutions and others for approximately \$154.5 million for outstanding standby letters of credit, surety bonds and bank guarantees to secure the performance of sales contracts and other third party provided guarantees in the ordinary course of business. Of the \$154.5 million, approximately \$11.6 million relates to surety bonds and \$1.0 million relates to outstanding letters of credit or other guarantees issued by non-U.S. banks for non-U.S. subsidiaries under locally provided credit facilities.

In addition, we have received a subpoena from the SEC's Division of Enforcement concerning our 2012 acquisition of IMM and related accounting matters. We are cooperating with the SEC regarding this investigation, which is ongoing. While it is not possible to predict the timing or outcome of the SEC inquiry, we currently believe that this matter will not have a material adverse effect on the Company's future consolidated results of operation, financial position, or liquidity.

**18. Segment Information**

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We operate in two reportable segments: Underground and Surface. Crushing and conveying operating results related to surface applications are reported as part of the Surface segment, while total crushing and conveying operating results are included in the Underground segment. Eliminations primarily consist of the surface applications of crushing and conveying included in both operating segments. The results of operations for Montabert have been included in the Underground segment from its acquisition date forward.

Operating (loss) income of segments does not include interest income and expense, corporate administration expenses, the provision for income taxes, or any impact in the quarter related amortization of the inventory impact of the previous year's fourth quarter mark to market adjustment for our pension and other postretirement benefit plans.

<b>In thousands</b>	Underground	Surface	Corporate	Eliminations	Total
<b>Quarter ended January 29, 2016</b>					
Net sales	\$ 274,494	\$ 276,572	\$ —	\$ (24,766)	\$ 526,300
Operating (loss) income	\$ (38,450)	\$ 7,788	\$ (7,529)	\$ (6,896)	\$ (45,087)
Interest income	—	—	807	—	807
Interest expense	—	—	(12,923)	—	(12,923)
(Loss) income before income taxes	\$ (38,450)	\$ 7,788	\$ (19,645)	\$ (6,896)	\$ (57,203)
Depreciation and amortization	\$ 22,420	\$ 16,741	\$ 926	\$ —	\$ 40,087
Capital expenditures	\$ 6,774	\$ 1,089	\$ 240	\$ —	\$ 8,103
<b>Quarter ended January 30, 2015</b>					
Net sales	\$ 384,663	\$ 347,036	\$ —	\$ (27,826)	\$ 703,873
Operating income (loss)	\$ 42,230	\$ 31,346	\$ (8,662)	\$ (6,456)	\$ 58,458
Interest income	—	—	2,940	—	2,940
Interest expense	—	—	(15,897)	—	(15,897)
Income (loss) before income taxes	\$ 42,230	\$ 31,346	\$ (21,619)	\$ (6,456)	\$ 45,501
Depreciation and amortization	\$ 19,188	\$ 13,789	\$ 702	\$ —	\$ 33,679
Capital expenditures	\$ 9,061	\$ 13,104	\$ 93	\$ —	\$ 22,258

### 19. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which requires lessees to record most leases on their balance sheets. Lessees initially recognize a lease liability (measured at the present value of the lease payments over the lease term) and a right-of-use ("ROU") asset (measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs). Lessees can make an accounting policy election to not recognize ROU assets and lease liabilities for leases with a lease term of 12 months or less as long as the leases do not include options to purchase the underlying assets that the lessee is reasonably certain to exercise. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Early adoption is permitted for all entities. The ASU is effective for the Company beginning on October 26, 2019 and the standard requires the use of a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. Full retrospective application is prohibited. The Company is beginning to evaluate the impact that the adoption of this guidance will have on our financial condition, results of operations and the presentation of our financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Liabilities*, which amends the guidance on the classification and measurement of financial instruments. Although the ASU retains many current requirements, it significantly revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. The ASU also amends certain disclosure requirements associated with the fair value of financial instruments. The most notable disclosure revisions for public companies include: (1) removing the requirement to disclose the methods for and any changes to significant assumptions used to estimate fair value, (2) requiring an "exit" price to be used when disclosing fair values of financial assets and liabilities measured at amortized cost, and (3) requiring entities to disclose either on the balance sheet or in the notes to the financial statements all financial assets and liabilities grouped by measurement category (*i.e.* amortized cost or fair value through the net

income or other comprehensive income) and form ( *i.e.* securities, loans, receivables, etc.). The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017. Early adoption is permitted for public entities only as it relates to certain provisions for changes in fair value due to instrument specific credit risk for liabilities measured under the fair value option. The ASU is effective for the Company beginning on October 27, 2018. This guidance is not expected to have a significant impact on our financial condition, results of operations or presentation of our financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* , which will require entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The ASU simplifies the current guidance, which requires entities to separately present deferred tax assets and deferred tax liabilities as current and noncurrent in a classified balance sheet. The ASU may be applied either prospectively or retrospectively. The ASU is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. In order to reduce complexities in financial reporting, the Company early adopted the guidance on a prospective basis in fiscal 2016 and therefore prior balance sheets were not retrospectively adjusted. This guidance did not have a significant impact on our financial condition, results of operations or presentation of our financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments* , which eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determined the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The ASU is applied prospectively to adjustments to provisional amounts that occur after the effective date. The ASU is effective for the Company on October 29, 2016, with early adoption permitted. This guidance is not expected to have a significant impact on our financial condition, results of operations or presentation of our financial statements.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory* , which requires most entities to measure most inventories at the lower of cost or net realizable value ("NRV"). This simplifies the evaluation from the current method of lower of cost or market, where market is based on one of three measures ( *i.e.* replacement cost, net realizable value, or net realizable value less a normal profit margin). The ASU does not apply to inventories measured under the last-in, first-out method or the retail inventory method, and defines NRV as the "estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." The ASU is effective on a prospective basis for the Company beginning on October 28, 2017, with early adoption permitted. This guidance is not expected to have a significant impact on our financial condition, results of operations or presentation of our financial statements.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. Further, in June 2015, the FASB agreed to clarifying guidance from the Securities and Exchange Commission on the presentation of debt issuance costs on revolving debt arrangements, permitting entities to elect that such costs be classified as an asset. The guidance in the ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is allowed for all entities for financial statements that have not been previously issued and entities would apply the new guidance retrospectively to all prior periods. ASU 2015-03 will be effective for the Company beginning on October 29, 2016. This guidance is not expected to have a significant impact on our financial condition, results of operations or presentation of our financial statements.

In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers*. ASU 2014-09 provides a single principles-based, five-step model to be applied to all contracts with customers. The five steps are to (i) identify the contracts with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when each performance obligation is satisfied. Revenue will be recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services. In July 2015, the FASB agreed to delay the effective date of ASU 2014-09 for one year and to permit early adoption by entities as of the original effective dates. Considering the one year deferral, ASU 2014-09 will be effective for the Company beginning on October 27, 2018 and the standard allows for either full retrospective adoption or modified retrospective adoption. The Company is continuing to evaluate the impact that the adoption of this guidance will have on our financial condition, results of operations and the presentation of our financial statements.

## **20. Subsidiary Guarantors for Credit Agreement, Term Loan and 2021 Notes**

The following tables present condensed consolidated financial information as of January 29, 2016 and October 30, 2015 and for the quarters ended January 29, 2016 and January 30, 2015 for: (a) the Company; (b) on a combined basis, the guarantors of the Credit Agreement, the Term Loan and the 2021 Notes issued in October 2011, which include Joy Global Underground Mining LLC, Joy Global Surface Mining Inc, N.E.S. Investment Co., Joy Global Conveyors Inc. and Joy Global Longview Operations LLC (the "Subsidiary Guarantors"); and (c) on a combined basis, the non-guarantors, which include all of our foreign subsidiaries and a number of small domestic subsidiaries ("Non-Guarantor Subsidiaries").

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The borrowings are fully and unconditionally guaranteed on a joint and several unsecured basis by the Subsidiary Guarantors, which are direct and indirect 100% owned subsidiaries of the Company. We conduct all of our business and derive essentially all of our income from our subsidiaries. Therefore, our ability to make payments on the obligations is dependent on the earnings and distribution of funds from our subsidiaries. There are no restrictions on the ability of any of our domestic subsidiaries to transfer funds to the parent company. Separate financial statements of the Subsidiary Guarantors are not presented because we believe such separate statements or disclosures would not be useful to investors.

**Condensed Consolidating Statement of Operations**  
**Quarter ended January 29, 2016**

<b>In thousands</b>	Parent Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 263,598	\$ 390,749	\$ (128,047)	\$ 526,300
Cost of sales	—	233,004	309,335	(104,083)	438,256
Product development, selling and administrative expenses	7,380	40,679	62,354	—	110,413
Restructuring expenses	395	20,016	6,248	—	26,659
Other income	—	(694)	(3,247)	—	(3,941)
Operating (loss) income	(7,775)	(29,407)	16,059	(23,964)	(45,087)
Intercompany items	15,148	(47,734)	(6,071)	38,657	—
Interest (expense) income, net	(12,720)	235	369	—	(12,116)
(Loss) income before income taxes and equity in income of subsidiaries	(5,347)	(76,906)	10,357	14,693	(57,203)
(Benefit) provision for income taxes	(11,505)	412	(5,889)	—	(16,982)
Equity in (loss) income of subsidiaries	(46,379)	17,897	—	28,482	—
Net (loss) income	\$ (40,221)	\$ (59,421)	\$ 16,246	\$ 43,175	\$ (40,221)
Comprehensive loss	\$ (72,584)	\$ (60,701)	\$ (15,030)	\$ 75,731	\$ (72,584)

**Condensed Consolidating Statement of Operations**  
**Quarter ended January 30, 2015**

<b>In thousands</b>	Parent Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 439,592	\$ 474,572	\$ (210,291)	\$ 703,873
Cost of sales	(3,177)	319,552	364,592	(163,398)	517,569
Product development, selling and administrative expenses	11,792	49,377	69,225	—	130,394
Restructuring expenses	—	219	446	—	665
Other (income) expense	—	4,640	(7,853)	—	(3,213)
Operating income (loss)	(8,615)	65,804	48,162	(46,893)	58,458
Intercompany items	16,770	(23,708)	(6,040)	12,978	—
Interest (expense) income, net	(15,598)	1,689	952	—	(12,957)
Income (loss) before income taxes and equity in income of subsidiaries	(7,443)	43,785	43,074	(33,915)	45,501
Provision (benefit) for income taxes	20,313	3,010	(8,347)	—	14,976
Equity in income of subsidiaries	58,281	1,634	—	(59,915)	—
Net income	\$ 30,525	\$ 42,409	\$ 51,421	\$ (93,830)	\$ 30,525
Comprehensive (loss) income	\$ (86,474)	\$ 41,000	\$ (62,663)	\$ 21,663	\$ (86,474)

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**Condensed Consolidating Balance Sheet  
As of January 29, 2016**

<u>In thousands</u>	Parent Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 21,242	\$ 2,187	\$ 116,504	\$ —	\$ 139,933
Accounts receivable, net	—	176,541	486,316	(11,926)	650,931
Inventories	—	476,511	574,469	(88,317)	962,663
Other current assets	24,035	15,279	71,565	—	110,879
Total current assets	45,277	670,518	1,248,854	(100,243)	1,864,406
Property, plant and equipment, net	20,632	278,543	458,289	(5,016)	752,448
Other assets:					
Other intangible assets, net	—	203,219	46,459	—	249,678
Goodwill	—	346,348	8,279	—	354,627
Deferred income taxes	92,648	—	56,993	—	149,641
Other non-current assets	2,591,311	2,021,610	1,713,911	(6,216,898)	109,934
Total other assets	2,683,959	2,571,177	1,825,642	(6,216,898)	863,880
Total assets	\$ 2,749,868	\$ 3,520,238	\$ 3,532,785	\$ (6,322,157)	\$ 3,480,734
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities:					
Short-term borrowings, including current portion of long-term obligations	\$ 23,438	\$ —	\$ 6,094	\$ —	\$ 29,532
Trade accounts payable	3,059	78,021	135,328	—	216,408
Employee compensation and benefits	8,251	28,410	42,082	—	78,743
Advance payments and progress billings	—	100,930	148,901	(14,323)	235,508
Accrued warranties	—	19,521	30,997	—	50,518
Other accrued liabilities	86,823	57,052	78,348	(10,855)	211,368
Current liabilities of discontinued operations	—	11,582	—	—	11,582
Total current liabilities	121,571	295,516	441,750	(25,178)	833,659
Long-term obligations	992,732	—	8	—	992,740
Other liabilities:					
Liabilities for postretirement benefits	17,296	—	—	—	17,296
Accrued pension costs	178,513	—	—	—	178,513
Other non-current liabilities	95,338	8,068	10,702	—	114,108
Total other liabilities	291,147	8,068	10,702	—	309,917
Shareholders' equity	1,344,418	3,216,654	3,080,325	(6,296,979)	1,344,418
Total liabilities and shareholders' equity	\$ 2,749,868	\$ 3,520,238	\$ 3,532,785	\$ (6,322,157)	\$ 3,480,734

**Condensed Consolidating Balance Sheet  
As of October 30, 2015**

<b>In thousands</b>	Parent Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 581	\$ 2,008	\$ 100,296	\$ —	\$ 102,885
Accounts receivable, net	—	214,381	597,826	(134)	812,073
Inventories	—	508,774	607,461	(108,310)	1,007,925
Other current assets	58,441	15,610	71,508	—	145,559
<b>Total current assets</b>	<b>59,022</b>	<b>740,773</b>	<b>1,377,091</b>	<b>(108,444)</b>	<b>2,068,442</b>
Property, plant and equipment, net	21,318	297,476	478,253	(5,015)	792,032
Other assets:					
Other intangible assets, net	—	207,891	47,819	—	255,710
Goodwill	—	346,348	8,273	—	354,621
Deferred income taxes	49,660	—	69,253	—	118,913
Other non-current assets	2,740,518	2,078,294	2,517,110	(7,213,194)	122,728
<b>Total other assets</b>	<b>2,790,178</b>	<b>2,632,533</b>	<b>2,642,455</b>	<b>(7,213,194)</b>	<b>851,972</b>
<b>Total assets</b>	<b>\$ 2,870,518</b>	<b>\$ 3,670,782</b>	<b>\$ 4,497,799</b>	<b>\$ (7,326,653)</b>	<b>\$ 3,712,446</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities:					
Short-term borrowings, including current portion of long-term obligations	\$ 18,750	\$ —	\$ 7,571	\$ —	\$ 26,321
Trade accounts payable	3,342	96,891	175,556	—	275,789
Employee compensation and benefits	5,843	36,527	47,965	—	90,335
Advance payments and progress billings	—	100,312	149,795	(20,637)	229,470
Accrued warranties	—	19,027	33,119	—	52,146
Other accrued liabilities	76,650	60,228	100,660	(12,261)	225,277
Current liabilities of discontinued operations	—	11,582	—	—	11,582
<b>Total current liabilities</b>	<b>104,585</b>	<b>324,567</b>	<b>514,666</b>	<b>(32,898)</b>	<b>910,920</b>
Long-term obligations	1,060,598	—	45	—	1,060,643
Other liabilities:					
Liabilities for postretirement benefits	18,662	878	—	—	19,540
Accrued pension costs	159,594	8,406	7,699	—	175,699
Other non-current liabilities	81,595	8,325	35,715	—	125,635
<b>Total other liabilities</b>	<b>259,851</b>	<b>17,609</b>	<b>43,414</b>	<b>—</b>	<b>320,874</b>
Shareholders' equity	1,445,484	3,328,606	3,939,674	(7,293,755)	1,420,009
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,870,518</b>	<b>\$ 3,670,782</b>	<b>\$ 4,497,799</b>	<b>\$ (7,326,653)</b>	<b>\$ 3,712,446</b>

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**Condensed Consolidating Statement of Cash Flows  
Quarter ended January 29, 2016**

<u>In thousands</u>	Parent Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidated
<b>Operating Activities:</b>				
Net cash provided (used) by operating activities	\$ 86,203	\$ (4,944)	\$ 27,330	\$ 108,589
<b>Investing Activities:</b>				
Property, plant and equipment acquired	(240)	(1,666)	(6,197)	(8,103)
Proceeds from sale of property, plant and equipment	—	6,789	2,378	9,167
Other investing activities, net	(7)	—	129	122
Net cash provided (used) by investing activities	(247)	5,123	(3,690)	1,186
<b>Financing Activities:</b>				
Dividends paid	(997)	—	—	(997)
Repayments of term loan	(4,687)	—	—	(4,687)
Payments on credit agreement	(58,600)	—	—	(58,600)
Repayments of short-term debt	—	—	(1,507)	(1,507)
Financing fees	(1,011)	—	—	(1,011)
Net cash used by financing activities	(65,295)	—	(1,507)	(66,802)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	(5,925)	(5,925)
Increase in Cash and Cash Equivalents	20,661	179	16,208	37,048
Cash and Cash Equivalents at Beginning of Period	581	2,008	100,296	102,885
Cash and Cash Equivalents at End of Period	\$ 21,242	\$ 2,187	\$ 116,504	\$ 139,933

**Condensed Consolidating Statement of Cash Flows  
Quarter ended January 30, 2015**

<u>In thousands</u>	Parent Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidated
<b>Operating Activities:</b>				
Net cash (used) provided by operating activities	25,892	(7,426)	(36,821)	(18,355)
<b>Investing Activities:</b>				
Property, plant and equipment acquired	(93)	(5,971)	(16,194)	(22,258)
Proceeds from sale of property, plant and equipment	—	133	623	756
Other investing activities, net	(1,168)	—	1,309	141
Net cash used by investing activities	(1,261)	(5,838)	(14,262)	(21,361)
<b>Financing Activities:</b>				
Common stock issued	273	—	—	273
Dividends paid	(19,489)	—	—	(19,489)
Treasury stock purchased	(50,000)	—	—	(50,000)
Other financing activities, net	261	262	(83)	440
Net cash (used) provided by financing activities	(68,955)	262	(83)	(68,776)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	(9,373)	(9,373)
Decrease in Cash and Cash Equivalents	(44,324)	(13,002)	(60,539)	(117,865)
Cash and Cash Equivalents at Beginning of Period	54,874	16,429	198,888	270,191
Cash and Cash Equivalents at End of Period	\$ 10,550	\$ 3,427	\$ 138,349	\$ 152,326

**21. Subsidiary Guarantors for 2036 Notes**

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The following tables present condensed consolidated financial information as of January 29, 2016 and October 30, 2015 and for the quarters ended January 29, 2016 and January 30, 2015 for: (a) the Company; (b) on a combined basis, the guarantors of the 2036 Notes issued in November 2006, which include Joy Global Underground Mining LLC, Joy Global Surface Mining Inc, N.E.S. Investment Co., Joy Global Conveyors Inc., Joy Global Longview Operations LLC and certain immaterial wholly owned subsidiaries of Joy Global Longview Operations LLC (the "Supplemental Subsidiary Guarantors"); and (c) on a combined basis, the non-guarantors, which include all of our foreign subsidiaries and a number of small domestic subsidiaries (the "Supplemental Non-Guarantor Subsidiaries"). In prior periods these entities were defined as the Subsidiary Guarantors and the Non-Guarantor Subsidiaries, respectively. However in light of the fact that this group of guarantors relates only to the 2036 Notes and not to our more recent debt arrangements, we have determined that it is more appropriate to designate this group of guarantors with the Supplemental classification.

The borrowings are fully and unconditionally guaranteed on a joint and several unsecured basis by the Supplemental Subsidiary Guarantors, which are direct and indirect 100% owned subsidiaries of the Company. We conduct all of our business and derive essentially all of our income from our subsidiaries. Therefore, our ability to make payments on the obligations is dependent on the earnings and distribution of funds from our subsidiaries. There are no restrictions on the ability of any of our domestic subsidiaries to transfer funds to the parent company. Separate financial statements of the Supplemental Subsidiary Guarantors are not presented because we believe such separate statements or disclosures would not be useful to investors.

**Condensed Consolidating Statement of Operations**  
**Quarter ended January 29, 2016**

<u>In thousands</u>	Parent Company	Supplemental Subsidiary Guarantors	Supplemental Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 265,429	\$ 388,918	\$ (128,047)	\$ 526,300
Cost of sales	—	234,709	307,630	(104,083)	438,256
Product development, selling and administrative expenses	7,380	40,680	62,353	—	110,413
Restructuring expenses	395	20,016	6,248	—	26,659
Other income	—	(698)	(3,243)	—	(3,941)
Operating (loss) income	(7,775)	(29,278)	15,930	(23,964)	(45,087)
Intercompany items	15,148	(47,734)	(6,071)	38,657	—
Interest (expense) income, net	(12,720)	248	356	—	(12,116)
(Loss) income before income taxes and equity in income of subsidiaries	(5,347)	(76,764)	10,215	14,693	(57,203)
(Benefit) provision for income taxes	(11,505)	150	(5,627)	—	(16,982)
Equity in (loss) income of subsidiaries	(46,379)	17,493	—	28,886	—
Net (loss) income	\$ (40,221)	\$ (59,421)	\$ 15,842	\$ 43,579	\$ (40,221)
Comprehensive loss	\$ (72,584)	\$ (60,701)	\$ (15,434)	\$ 76,135	\$ (72,584)

**Condensed Consolidating Statement of Operations**  
**Quarter ended January 30, 2015**

<b>In thousands</b>	Parent Company	Supplemental Subsidiary Guarantors	Supplemental Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 441,075	\$ 473,089	\$ (210,291)	\$ 703,873
Cost of sales	(3,177)	321,204	362,940	(163,398)	517,569
Product development, selling and administrative expenses	11,792	49,377	69,225	—	130,394
Restructuring expenses	—	219	446	—	665
Other (income) expense	—	4,637	(7,850)	—	(3,213)
Operating income (loss)	(8,615)	65,638	48,328	(46,893)	58,458
Intercompany items	16,770	(23,708)	(6,040)	12,978	—
Interest (expense) income, net	(15,598)	1,634	1,007	—	(12,957)
Income (loss) before income taxes and equity in income of subsidiaries	(7,443)	43,564	43,295	(33,915)	45,501
Provision (benefit) for income taxes	20,313	2,996	(8,333)	—	14,976
Equity in income of subsidiaries	58,281	1,841	—	(60,122)	—
Net income	\$ 30,525	\$ 42,409	\$ 51,628	\$ (94,037)	\$ 30,525
Comprehensive (loss) income	\$ (86,474)	\$ 41,000	\$ (62,456)	\$ 21,456	\$ (86,474)

**Condensed Consolidating Balance Sheet  
As of January 29, 2016**

<u>In thousands</u>	Parent Company	Supplemental Subsidiary Guarantors	Supplemental Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 21,242	\$ 2,567	\$ 116,124	\$ —	\$ 139,933
Accounts receivable, net	—	177,562	485,295	(11,926)	650,931
Inventories	—	482,262	568,718	(88,317)	962,663
Other current assets	24,035	15,953	70,891	—	110,879
<b>Total current assets</b>	<b>45,277</b>	<b>678,344</b>	<b>1,241,028</b>	<b>(100,243)</b>	<b>1,864,406</b>
Property, plant and equipment, net	20,632	280,034	456,798	(5,016)	752,448
Other assets:					
Other intangible assets, net	—	203,219	46,459	—	249,678
Goodwill	—	346,348	8,279	—	354,627
Deferred income taxes	92,648	—	56,993	—	149,641
Other non-current assets	2,591,311	2,049,573	1,685,949	(6,216,899)	109,934
<b>Total other assets</b>	<b>2,683,959</b>	<b>2,599,140</b>	<b>1,797,680</b>	<b>(6,216,899)</b>	<b>863,880</b>
<b>Total assets</b>	<b>\$ 2,749,868</b>	<b>\$ 3,557,518</b>	<b>\$ 3,495,506</b>	<b>\$ (6,322,158)</b>	<b>\$ 3,480,734</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities:					
Short-term borrowings, including current portion of long-term obligations	\$ 23,438	\$ —	\$ 6,094	\$ —	\$ 29,532
Trade accounts payable	3,059	78,279	135,070	—	216,408
Employee compensation and benefits	8,251	28,486	42,006	—	78,743
Advance payments and progress billings	—	100,974	148,857	(14,323)	235,508
Accrued warranties	—	19,521	30,997	—	50,518
Other accrued liabilities	86,823	57,066	78,334	(10,855)	211,368
Current liabilities of discontinued operations	—	11,582	—	—	11,582
<b>Total current liabilities</b>	<b>121,571</b>	<b>295,908</b>	<b>441,358</b>	<b>(25,178)</b>	<b>833,659</b>
Long-term obligations	992,732	—	8	—	992,740
Other liabilities:					
Liabilities for postretirement benefits	17,296	—	—	—	17,296
Accrued pension costs	178,513	—	—	—	178,513
Other non-current liabilities	95,338	8,068	10,702	—	114,108
<b>Total other liabilities</b>	<b>291,147</b>	<b>8,068</b>	<b>10,702</b>	<b>—</b>	<b>309,917</b>
Shareholders' equity	1,344,418	3,253,542	3,043,438	(6,296,980)	1,344,418
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,749,868</b>	<b>\$ 3,557,518</b>	<b>\$ 3,495,506</b>	<b>\$ (6,322,158)</b>	<b>\$ 3,480,734</b>

**Condensed Consolidating Balance Sheet  
As of October 30, 2015**

<u>In thousands</u>	Parent Company	Supplemental Subsidiary Guarantors	Supplemental Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 581	\$ 2,008	\$ 100,296	\$ —	\$ 102,885
Accounts receivable, net	—	214,381	597,826	(134)	812,073
Inventories	—	508,774	607,461	(108,310)	1,007,925
Other current assets	58,441	15,610	71,508	—	145,559
Total current assets	59,022	740,773	1,377,091	(108,444)	2,068,442
Property, plant and equipment, net	21,318	297,476	478,253	(5,015)	792,032
Other assets:					
Other intangible assets, net	—	207,891	47,819	—	255,710
Goodwill	—	346,348	8,273	—	354,621
Deferred income taxes	49,660	—	69,253	—	118,913
Other non-current assets	2,740,518	2,078,294	2,517,110	(7,213,194)	122,728
Total other assets	2,790,178	2,632,533	2,642,455	(7,213,194)	851,972
<b>Total assets</b>	<b>\$ 2,870,518</b>	<b>\$ 3,670,782</b>	<b>\$ 4,497,799</b>	<b>\$ (7,326,653)</b>	<b>\$ 3,712,446</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities:					
Short-term borrowings, including current portion of long-term obligations	\$ 18,750	\$ —	\$ 7,571	\$ —	\$ 26,321
Trade accounts payable	3,342	96,891	175,556	—	275,789
Employee compensation and benefits	5,843	36,527	47,965	—	90,335
Advance payments and progress billings	—	100,312	149,795	(20,637)	229,470
Accrued warranties	—	19,027	33,119	—	52,146
Other accrued liabilities	76,650	60,228	100,660	(12,261)	225,277
Current liabilities of discontinued operations	—	11,582	—	—	11,582
Total current liabilities	104,585	324,567	514,666	(32,898)	910,920
Long-term obligations	1,060,598	—	45	—	1,060,643
Other liabilities:					
Liabilities for postretirement benefits	18,662	878	—	—	19,540
Accrued pension costs	159,594	8,406	7,699	—	175,699
Other non-current liabilities	81,595	8,325	35,715	—	125,635
Total other liabilities	259,851	17,609	43,414	—	320,874
Shareholders' equity	1,445,484	3,328,606	3,939,674	(7,293,755)	1,420,009
Total liabilities and shareholders' equity	<b>\$ 2,870,518</b>	<b>\$ 3,670,782</b>	<b>\$ 4,497,799</b>	<b>\$ (7,326,653)</b>	<b>\$ 3,712,446</b>

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**Condensed Consolidating Statement of Cash Flows  
Quarter ended January 29, 2016**

<u>In thousands</u>	Parent Company	Supplemental Subsidiary Guarantors	Supplemental Non- Guarantor Subsidiaries	Consolidated
<b>Operating Activities:</b>				
Net cash provided (used) by operating activities	\$ 86,203	\$ (4,564)	\$ 26,950	\$ 108,589
<b>Investing Activities:</b>				
Property, plant and equipment acquired	(240)	(1,666)	(6,197)	(8,103)
Proceeds from sale of property, plant and equipment	—	6,789	2,378	9,167
Other investing activities, net	(7)	—	129	122
Net cash provided (used) by investing activities	(247)	5,123	(3,690)	1,186
<b>Financing Activities:</b>				
Dividends paid	(997)	—	—	(997)
Repayments of term loan	(4,687)	—	—	(4,687)
Payments on credit agreement	(58,600)	—	—	(58,600)
Repayments of short-term debt	—	—	(1,507)	(1,507)
Financing fees	(1,011)	—	—	(1,011)
Net cash used by financing activities	(65,295)	—	(1,507)	(66,802)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	(5,925)	(5,925)
Increase (Decrease) in Cash and Cash Equivalents	20,661	559	15,828	37,048
Cash and Cash Equivalents at Beginning of Period	581	2,008	100,296	102,885
Cash and Cash Equivalents at End of Period	\$ 21,242	\$ 2,567	\$ 116,124	\$ 139,933

**Condensed Consolidating Statement of Cash Flow  
Quarter ended January 30, 2015**

<u>In thousands</u>	Parent Company	Supplemental Subsidiary Guarantors	Supplemental Non- Guarantor Subsidiaries	Consolidated
<b>Operating Activities:</b>				
Net cash (used) provided by operating activities	25,892	(7,426)	(36,821)	(18,355)
<b>Investing Activities:</b>				
Property, plant and equipment acquired	(93)	(5,971)	(16,194)	(22,258)
Proceeds from sale of property, plant and equipment	—	133	623	756
Other investing activities, net	(1,168)	—	1,309	141
Net cash used by investing activities	(1,261)	(5,838)	(14,262)	(21,361)
<b>Financing Activities:</b>				
Common stock issued	273	—	—	273
Dividends paid	(19,489)	—	—	(19,489)
Treasury stock purchased	(50,000)	—	—	(50,000)
Other financing activities, net	261	262	(83)	440
Net cash (used) provided by financing activities	(68,955)	262	(83)	(68,776)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	(9,373)	(9,373)
Decrease in Cash and Cash Equivalents	(44,324)	(13,002)	(60,539)	(117,865)
Cash and Cash Equivalents at Beginning of Period	54,874	16,429	198,888	270,191
Cash and Cash Equivalents at End of Period	\$ 10,550	\$ 3,427	\$ 138,349	\$ 152,326

**22. Subsequent Events**

On March 3, 2016 , our Board of Directors declared a cash dividend of \$0.01 per outstanding share of common stock. The dividend will be paid on April 4, 2016 to all shareholders of record at the close of business on March 18, 2016 .

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes to the Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q.*

### Overview

Joy Global Inc. is a leading manufacturer and servicer of high productivity mining equipment for the extraction of metals and minerals. We manufacture and market original equipment and parts and perform services for both underground and surface mining, as well as certain industrial applications. Our equipment is used in major mining regions throughout the world to mine coal, copper, iron ore, oil sands, gold and other minerals. We operate in two business segments: Underground and Surface. We are a major manufacturer of underground mining machinery for the extraction and haulage of coal and other bedded minerals. We are also a major producer of surface mining equipment for the extraction and haulage of copper, coal and other minerals and ores. We offer comprehensive direct service, which includes our smart service offerings, near major mining regions worldwide and provide extensive operational support for many types of equipment used in mining. Our principal manufacturing facilities are located in the United States, including facilities in Alabama, Pennsylvania, Texas and Wisconsin, and internationally, including facilities in Australia, Canada, China, South Africa, the United Kingdom, and France.

### *Operating Results*

#### Quarter Ended January 29, 2016 Compared With Quarter Ended January 30, 2015

Net sales in the first quarter of fiscal 2016 were \$526.3 million, compared to \$703.9 million in the first quarter of fiscal 2015. The decrease in net sales of \$177.6 million, or 25%, in the current year first quarter reflected a decrease in original equipment sales of \$73.0 million, or 39%, and a decrease in service sales of \$104.6 million, or 20%. Original equipment sales decreased in all regions except Australia. The decrease in original equipment sales was led by China and Latin America, which decreased by \$29.8 million and \$29.6 million, respectively. Service sales decreased in all regions except Eurasia. The decrease in service sales was led by North America, which decreased by \$79.3 million. Compared to the prior year first quarter, net sales in the first quarter of fiscal 2016 included a \$31.1 million unfavorable effect of foreign currency translation, due primarily to the decline in the value of the Australian dollar and South African rand relative to the U.S. dollar.

Operating loss in the first quarter of fiscal 2016 was \$45.1 million, or 8.6% of net sales, compared to operating income of \$58.5 million, or 8.3% of net sales, in the first quarter of fiscal 2015. The decrease in operating income of \$103.5 million, or 177%, in the current year first quarter was primarily due to the loss of margins on lower sales volumes of \$68.3 million, a less favorable product mix of \$18.2 million, lower manufacturing cost absorption of \$14.1 million and higher restructuring charges of \$26.0 million. These items were partially offset by favorable period costs (defined as any costs of sales other than those costs associated with selling inventory at standard costs) of \$2.4 million and lower product development, selling, and administrative expenses of \$20.0 million.

Net loss was \$40.2 million, or \$0.41 per diluted share, in the first quarter of fiscal 2016, compared to net income of \$30.5 million, or \$0.31 per diluted share, in the first quarter of fiscal 2015.

Bookings in the first quarter of fiscal 2016 were \$549.8 million, compared to \$700.2 million in the first quarter of fiscal 2015. The decrease in bookings of \$150.3 million, or 21%, in the current year first quarter reflected a decrease in original equipment bookings of \$57.9 million, or 33%, and a decrease in service bookings of \$92.5 million, or 18%. Original equipment bookings decreased in North America, China, and Latin America, with increases in the other regions. The decrease in original equipment bookings was led by North America which decreased by \$66.5 million. The first quarter of the prior year included a \$40 million room and pillar equipment package to a Canadian customer which did not repeat in the current year. Service bookings decreased in North America, China, and Africa, with increases in the other regions. The decrease in service bookings was also led by North America which decreased by \$86.9 million. Compared to the prior year first quarter, bookings in the first quarter of fiscal 2016 included a \$49.8 million unfavorable effect of foreign currency translation, due primarily to the decline in the value of the Australian dollar and South African rand relative to the U.S. dollar.

### *Market Outlook*

Despite the expectation for marginal global growth improvement in 2016, weakening Chinese and emerging market demand have cast a shadow on global markets. While supply curtailments were beginning to re-balance some commodity markets, a broad-based weakening of commodity demand has exacerbated the situation and resulted in commodity prices continuing to decline during our fiscal first quarter.

Nowhere have headwinds increased more than in the U.S. coal market. In addition to ongoing regulatory forces, U.S. coal is facing a number of market-based challenges. Strong natural gas production and elevated inventories are driving sustained low gas prices which is pressuring coal burn. Additionally, mild weather and reduced coal burn demand has seen coal inventories rise to historic levels, which will need to be reduced before production returns. These factors are likely to result in U.S. coal production falling at a rate greater than previously expected in 2016. Coal burn throughout the remainder of the year will continue to hinge on weather and natural gas pricing. However, it is also expected that U.S. coal burn will further decline as utility inventories are reduced from the aforementioned current historic levels.

While there have been recent signs of supply rationalization in seaborne thermal coal markets, seaborne demand, particularly from China, is slowing at a quicker pace, which has resulted in seaborne prices continuing to fall during the quarter. Given the weakening demand outlook from increasing headwinds to global growth, further supply curtailments will be necessary to rebalance the market.

Increasing concerns regarding the strength of Chinese copper demand have driven prices lower over the last several months. Copper prices are expected to remain under pressure near-term as new supply enters the market and demand remains relatively weak.

After declining modestly in 2015, global steel production is expected to be relatively flat in 2016 as capacity cuts and reduced output from China continues. The health of the global steel market remains the driving force behind seaborne met coal and iron ore markets. Current met coal prices are down significantly from a year ago with the current quarter's pricing at an all-time low. While curtailment announcements continue, seaborne supply has been slow to react.

Similarly, the seaborne iron ore market remains well supplied amidst a declining demand environment. The combination of these factors has reduced iron ore prices. While Chinese production is off significantly from peak levels, new low cost supply additions have exceeded higher-cost production curtailments. These factors combined with weaker demand will likely result in iron ore prices trending at or below current levels.

With limited scope for an improvement in commodity prices, mining companies are being forced to take unprecedented measures to defer spending on equipment maintenance and procurement. Strained cash flows among our customers are expected to drive further delays in maintenance work and original equipment purchases.

#### *Company Outlook*

Our focus remains on controlling those factors which we can. With the increased challenges in some of our end markets, we are further leveraging our footprint optimization and other operational excellence strategies across the business and are now targeting greater cost reductions for the year. We will also remain focused on driving additional cash gains through improved working capital performance and monetization of non-core assets.

Our key product development programs are moving forward and we are seeing successes in field trials on our hybrid excavator and our underground hard rock loader. We believe that these organically developed machines will deliver significant value to our customers and we look forward to delivering them to the market place later this year and into 2017. Providing customers with highly differentiated equipment and service systems solutions to improve safety and lower their cost per ton is the core of our strategy.

## Results of Operations

### Quarter Ended January 29, 2016 Compared With Quarter Ended January 30, 2015

#### Net Sales

The following table sets forth the net sales included in our Condensed Consolidated Statements of Operations:

<u>In thousands</u>	Quarter Ended		\$ Change	% Change
	January 29, 2016	January 30, 2015		
Net Sales				
Underground	\$ 274,494	\$ 384,663	\$ (110,169)	(29)
Surface	276,572	347,036	(70,464)	(20)
Eliminations	(24,766)	(27,826)	3,060	
Total Sales	<u>\$ 526,300</u>	<u>\$ 703,873</u>	<u>\$ (177,573)</u>	<u>(25)</u>

Underground net sales in the first quarter of fiscal 2016 were \$274.5 million, compared to \$384.7 million in the first quarter of fiscal 2015. The decrease in Underground net sales of \$110.2 million, or 29%, in the current year first quarter reflected a decrease in original equipment sales of \$49.9 million, or 43%, and a decrease in service sales of \$60.3 million, or 22%. Original equipment sales decreased in all regions except Eurasia. The decrease in original equipment sales was led by North America and China, which decreased by \$26.8 million and \$21.1 million, respectively. Service sales decreased in all regions except Australia, which was flat, and Eurasia. The decrease in service sales was led by North America, which decreased by \$45.2 million. Compared to the prior year first quarter, Underground net sales in the first quarter of fiscal 2016 included a \$20.4 million unfavorable effect of foreign currency translation, due primarily to the decline in the value of the Australian dollar and South African rand relative to the U.S. dollar.

Surface net sales in the first quarter of fiscal 2016 were \$276.6 million, compared to \$347.0 million in the first quarter of fiscal 2015. The decrease in Surface net sales of \$70.5 million, or 20%, in the current year first quarter reflected a decrease in original equipment sales of \$28.0 million, or 33%, and a decrease in service sales of \$42.5 million, or 16%. Original equipment sales decreased in all regions except North America. The decrease in original equipment sales was led by Latin America, which decreased by \$29.6 million. Service sales declined in all regions. The decrease in service sales was led by North America, which decreased by \$32.0 million. Compared to the prior year first quarter, Surface net sales in the first quarter of fiscal 2016 included a \$10.6 million unfavorable effect of foreign currency translation, due primarily to the decline in the value of the Australian dollar relative to the U.S. dollar.

#### Operating (Loss) Income

The following table sets forth the operating (loss) income included in our Condensed Consolidated Statements of Operations:

<u>In thousands</u>	Quarter Ended			
	January 29, 2016		January 30, 2015	
	Operating (Loss) Income	% of Net Sales	Operating Income (Loss)	% of Net Sales
Operating (Loss) Income				
Underground	\$ (38,450)	(14.0)	\$ 42,230	11.0
Surface	7,788	2.8	31,346	9.0
Corporate Expense	(7,529)		(8,662)	
Eliminations	(6,896)		(6,456)	
Total Operating (Loss) Income	<u>\$ (45,087)</u>	<u>(8.6)</u>	<u>\$ 58,458</u>	<u>8.3</u>

Underground operating loss in the first quarter of fiscal 2016 was \$38.5 million, or 14.0% of net sales, compared to operating income of \$42.2 million, or 11.0% of net sales, in the first quarter of fiscal 2015. The decrease in Underground operating income of \$80.7 million, or 191%, in the current year first quarter was primarily due to the loss of margins on lower sales volumes of \$40.7 million, a less favorable product mix of \$15.3 million, lower manufacturing cost absorption of \$9.9 million and higher restructuring charges of \$25.3 million. These items were partially offset by lower product development, selling and administrative expenses of \$7.8 million.

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Surface operating income in the first quarter of fiscal 2016 was \$7.8 million , or 2.8% of net sales, compared to \$31.3 million , or 9.0% of net sales, in the first quarter of fiscal 2015 . The decrease in Surface operating income of \$23.6 million , or 75% , in the current year first quarter was primarily due to the loss of margins on lower sales volumes of \$27.6 million and lower manufacturing cost absorption of \$4.2 million. These items were partially offset by lower product development, selling, and administrative expenses of \$7.4 million and favorable period costs of \$5.8 million.

Corporate expense in the first quarter of fiscal 2016 was \$7.5 million , compared to \$8.7 million in the first quarter of fiscal 2015 . The decrease in corporate expense of \$1.1 million , or 13% , is primarily due to lower incentive based compensation on our share-based compensation plans, resulting from our quarterly reassessment of performance related measures.

### ***Product Development, Selling and Administrative Expense***

Product development, selling and administrative expense in the first quarter of fiscal 2016 was \$110.4 million , or 21.0% of net sales, compared to \$130.4 million , or 18.5% of net sales, in the first quarter of fiscal 2015 . The decrease in product development, selling and administrative expense of \$20.0 million , or 15% , was primarily due to lower overall incentive based compensation and headcount reductions, as well as other savings from the Company's cost reduction programs.

### ***Restructuring Expenses***

Restructuring expenses in the first quarter of fiscal 2016 were \$26.7 million , compared to \$0.7 million in the first quarter of fiscal 2015 . The increase in restructuring expenses of \$26.0 million was due to the Company's implementation of cost reduction initiatives in response to the adverse market conditions. These costs include entering into severance and termination agreements and full or partial closures of certain facilities in order to better align the Company's overall cost structure with anticipated levels of future demand.

### ***Net Interest Expense***

Net interest expense in the first quarter of fiscal 2016 was \$12.1 million , compared to \$13.0 million in the first quarter of fiscal 2015 . The decrease in net interest expense of \$0.8 million , or 6% , was primarily due to the fourth quarter fiscal 2015 redemption of the \$250 million aggregate principal amount of our 6% Senior Notes due 2016 (the "2016 Senior Notes"). The cost of redemption, including the payment of the make whole premium, was funded with a combination of cash on hand and borrowings under the Company's Credit Agreement, which were drawn at a lower interest rate than the rate on the 2016 Senior Notes and were repaid in the first quarter of fiscal 2016. The impact of the redemption of the 2016 Senior Notes was partially offset by a decrease in interest bearing assets as a result of the fourth quarter fiscal 2015 customer pay-off of a long-term account receivable.

### ***Provision for Income Taxes***

In accordance with FASB Accounting Standards Codification 740, *Income Taxes* , each interim period is considered integral to the annual period and tax expense is measured using an estimated annual effective tax rate. An entity is required to record income tax expense each quarter based on its best estimate of the annual effective tax rate for the full fiscal year and use that rate to provide for income taxes on a current year-to-date basis, as adjusted for discrete taxable events that occur during the interim period. If, however, the entity is unable to reliably estimate its annual effective tax rate due to the Company's inability to forecast income by jurisdiction or as a result of rate volatility caused by minor changes in income when projecting near break-even earnings, then the actual effective tax rate for the year-to-date may be the best annual effective tax rate estimate. For the quarter ended January 29, 2016 , the Company determined that the estimated annual effective rate method would not provide for a reliable estimate due to the volatility of income tax expense (benefit) to modest changes in forecasted annual pre-tax results. Therefore, the Company recorded a tax benefit for the quarter ended January 29, 2016 based on the actual effective rate (i.e. the "cut-off" method). The effective tax rate for the quarter ended January 30, 2015 was calculated based on an estimated annual effective tax rate in addition to discrete items.

The benefit for income taxes in the first quarter of fiscal 2016 was \$17.0 million , compared to a provision of \$ 15.0 million in the first quarter of fiscal 2015 . The effective income tax rate was 29.7% in the first quarter of fiscal 2016 , compared to 32.9% in the first quarter of fiscal 2015 . A net discrete tax benefit of \$0.8 million was recorded in the first quarter of fiscal 2016 , compared to expense of \$0.4 million in the first quarter of fiscal 2015 . The decrease in the effective tax rate for the quarter, excluding discrete items, was primarily attributable to a change in geographical mix of projected earnings.

### ***Bookings and Backlog***

Bookings represent new customer orders for original equipment and services. Services bookings include orders for parts, components, and rebuilds, but are exclusive of long-term maintenance and repair arrangements and life cycle management arrangements awarded to us during the period. We record bookings when firm orders are received and add the bookings to our backlog. Bookings for the quarters ended January 29, 2016 and January 30, 2015 were as follows:

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<u>In thousands</u>	Quarter Ended		<u>\$ Change</u>	<u>% Change</u>
	<u>January 29, 2016</u>	<u>January 30, 2015</u>		
Bookings				
Underground	\$ 280,879	\$ 406,909	\$ (126,030)	(31)
Surface	285,953	310,799	(24,846)	(8)
Eliminations	(17,018)	(17,558)	540	
Total Bookings	<u>\$ 549,814</u>	<u>\$ 700,150</u>	<u>\$ (150,336)</u>	<u>(21)</u>

Underground bookings in the first quarter of fiscal 2016 were \$280.9 million , compared to \$406.9 million in the first quarter of fiscal 2015 . The decrease in Underground bookings of \$126.0 million , or 31% , in the current year first quarter reflected a decrease in original equipment bookings of \$47.3 million , or 39% , and a decrease in service bookings of \$78.8 million , or 27% . Original equipment bookings decreased in all regions except Eurasia and Africa. The decrease in original equipment bookings was led by North America, which decreased by \$58.4 million, mostly due to a \$40 million room and pillar package to a Canadian customer in fiscal 2015 that did not recur. Service bookings decreased in all regions except Eurasia and Australia. The decrease in service bookings was led by North America, which decreased by \$69.4 million. Compared to the prior year first quarter , Underground bookings in the first quarter of fiscal 2016 included a \$39.2 million unfavorable impact of foreign currency translation, due primarily to the decline in the value of the South African rand relative to the U.S. dollar.

Surface bookings in the first quarter of fiscal 2016 were \$286.0 million , compared to \$310.8 million in the first quarter of fiscal 2015 . The decrease in Surface bookings of \$24.8 million , or 8% , in the current year first quarter reflected a decrease in original equipment bookings of \$10.7 million , or 19% , and a decrease in service bookings of \$14.1 million , or 6% . Original equipment bookings decreased in all regions except Australia. The decrease in original equipment bookings was led by Latin America, which decreased by \$14.7 million. Service bookings decreased in North America, China and Africa, with increases in the other regions. The decrease in service bookings was led by North America, which decreased by \$17.7 million. Compared to the prior year first quarter , Surface bookings in the first quarter of fiscal 2016 included a \$10.7 million unfavorable impact of foreign currency translation, due primarily to the decline in the value of the Australian dollar relative to the U.S. dollar.

Backlog represents unfilled customer orders for our original equipment and service, exclusive of long-term maintenance and repair arrangements and life cycle management arrangements. Customer orders included in backlog represent arrangements to purchase specific original equipment or services. The backlog amounts reported exclude sales already recognized by period end under the percentage-of-completion method of accounting. The following table provides backlog as of January 29, 2016 and October 30, 2015 :

<u>In thousands</u>	<u>January 29, 2016</u>	<u>October 30, 2015</u>
Backlog		
Underground	\$ 548,262	\$ 541,877
Surface	403,391	394,010
Eliminations	(54,660)	(62,407)
Total Backlog	<u>\$ 896,993</u>	<u>\$ 873,480</u>

**Liquidity and Capital Resources**

The following table summarizes the major elements of our working capital as of January 29, 2016 and October 30, 2015 :

<u>In thousands</u>	<u>January 29, 2016</u>	<u>October 30, 2015</u>
Accounts receivable, net	\$ 650,931	\$ 812,073
Inventories	962,663	1,007,925
Trade accounts payable	(216,408)	(275,789)
Advance payments and progress billings	(235,508)	(229,470)
Trade Working Capital	\$ 1,161,678	\$ 1,314,739
Other current assets	110,879	145,559
Short-term borrowings, including current portion of long-term obligations	(29,532)	(26,321)
Employee compensation and benefits	(78,743)	(90,335)
Accrued warranties	(50,518)	(52,146)
Other accrued liabilities	(211,368)	(225,277)
Working Capital Excluding Cash and Cash Equivalents	\$ 902,396	\$ 1,066,219
Cash and cash equivalents	139,933	102,885
Working Capital	\$ 1,042,329	\$ 1,169,104

We currently use trade working capital and cash flows from continuing operations as two financial measurements to evaluate the performance of our operations and our ability to meet our financial obligations. We require trade working capital investment because our direct service model requires us to maintain certain inventory levels in order to maximize our customers' machine availability. This information also provides management with a focus on our receivable terms and collectability efforts and our ability to obtain advance payments on original equipment orders. As part of operational excellence initiatives in our purchasing and manufacturing processes, we continue to strive for alignment of inventory levels with customer demand and current production schedules.

Cash provided by operating activities during the first quarter of fiscal 2016 was \$ 108.6 million , compared to \$ 18.4 million used during the first quarter of fiscal 2015 . The increase in cash from continuing operations was primarily due to decreases in inventories, lower performance based cash payments and reduced pension contributions year over year, partially offset by lower earnings.

Cash provided by investing activities during the first quarter of fiscal 2016 was \$ 1.2 million , compared to a \$ 21.4 million used during the first quarter of fiscal 2015 . The increase in cash provided by investing activities was primarily due to \$8.8 million of proceeds on the sale of fixed assets in our Underground segment, aided further by \$14.2 million of lower capital expenditures in the first quarter of the current fiscal year as compared to the first quarter of the prior fiscal year.

Cash used by financing activities during the first quarter of fiscal 2016 was \$ 66.8 million , compared to \$ 68.8 million during the first quarter of fiscal 2015 . The decrease in cash used by financing activities was primarily due to no share repurchases in the current year first quarter and lower dividends paid, partially offset by an increase in required repayments made on the Term Loan and the payoff of amounts previously outstanding under our Credit Agreement.

On December 16, 2015 , our Board of Directors declared a cash dividend of \$0.01 per outstanding share of common stock. The dividend was paid on January 15, 2016 to all shareholders of record at the close of business on December 30, 2015 . In addition, on March 3, 2016 , our Board of Directors declared a cash dividend of \$0.01 per outstanding share of common stock. The dividend will be paid on April 4, 2016 to all shareholders of record at the close of business on March 18, 2016 .

**Restructuring Programs**

Restructuring activities continued in the first three months of 2016 to better align the Company's workforce and overall cost structure with current and expected future demand. For the 2016 fiscal year, total restructuring charges are anticipated to be \$47 million to \$57 million, with expected cash costs of approximately \$33 million to \$43 million. These ranges include expected costs for activities not yet implemented.

**Retiree Benefits**

We sponsor pension plans in the U.S. and in other countries. The significance of the funding requirements of these plans is largely dependent on the value of the plan assets, the investment returns on the plan assets, actuarial assumptions, including

discount rates, and the impact of the Pension Protection Act of 2006. For the quarter ended January 29, 2016, we contributed \$1.4 million to our defined benefit employee pension and postretirement plans. We expect contributions to our defined benefit pension and postretirement plans to be approximately \$10.0 million for the full fiscal year.

During the quarter ended January 29, 2016, we recognized \$ 9.6 million of non-cash special termination charges under the Joy Global qualified pension plan for benefits to be provided to certain employees as part of restructuring activities in our Underground division.

#### ***Credit Agreement and Senior Notes***

We entered into our Credit Agreement on July 29, 2014. On December 14, 2015, we entered into an amendment to our Credit Agreement that increases the maximum consolidated leverage ratio from a limit of 3.0x beginning in the second quarter of fiscal 2016 and continuing through the first quarter of fiscal 2018, with a maximum ratio of 4.5x for the fourth quarter of fiscal 2016 through the second quarter of fiscal 2017. The amendment also reduced the aggregate amount of revolving commitments of the lenders from \$ 1.0 billion to \$ 850.0 million and added a letter of credit sublimit of \$ 500.0 million. In addition, we also agreed to limit priority debt (secured indebtedness and the unsecured indebtedness of our foreign subsidiaries) to 10% of consolidated net worth and to limit cash dividends to \$ 25.0 million per year in the aggregate. We may continue to request an increase of up to \$250.0 million of additional aggregate revolving commitments, subject to the terms and conditions contained in the Credit Agreement. Under the terms of the Credit Agreement, we pay a commitment fee ranging from 0.09% to 0.30% on the unused portion of the revolving credit facility based on our credit rating. Letters of credit issued under applicable provisions of the Credit Agreement represent an unfunded utilization of the Credit Agreement for purposes of calculating the periodic commitment fee due. Eurodollar rate loans bear interest for a period from the applicable borrowing date until a date one week or one, two, three or six months thereafter, as selected by the Company, at the corresponding Eurodollar rate plus a margin of 1.0% to 2.0% depending on the Company's credit rating. Base rate loans bear interest from the applicable borrowing date at a rate equal to (i) the highest of (a) the federal funds rate plus 0.5%, (b) the rate of interest in effect for such day as publicly announced by the administrative agent as its "prime rate," or (c) a daily rate equal to the one-month Eurodollar rate plus 1.0%, plus (ii) a margin that varies according to the Company's credit rating. Swing line loans bear interest at either the base rate described above or the daily floating Eurodollar rate plus the applicable margin, as selected by the Company. The Credit Agreement is guaranteed by each of our current and future material domestic subsidiaries and requires the maintenance of certain financial covenants, including leverage and interest coverage ratios. The Credit Agreement also restricts payment of dividends or other returns of capital to shareholders if the consolidated leverage ratio exceeds the maximum amount set forth therein. As of January 29, 2016, we were in compliance with all financial covenants of the Credit Agreement.

As of January 29, 2016, there were no direct borrowings under the Credit Agreement. Total interest expense recognized for direct borrowings under the Credit Agreement for the quarters ended January 29, 2016 and January 30, 2015 was \$0.5 million and \$0.2 million, respectively. Outstanding standby letters of credit issued under the Credit Agreement, which count toward the \$850.0 million credit limit, totaled \$141.9 million. As of January 29, 2016, there was \$708.1 million available for borrowings under the Credit Agreement.

On July 29, 2014, we also entered into a term loan agreement that matures July 29, 2019 and provides for a commitment of up to \$375.0 million. The Term Loan replaced our prior term loan, dated as of June 16, 2011. The Prior Term Loan had been scheduled to mature on July 16, 2016 and provided an initial commitment of \$500.0 million, which had been drawn in full in conjunction with our fiscal 2011 acquisition of LeTourneau Technologies, Inc. and had been amortized to \$375.0 million at the date that we entered into the Term Loan. We utilized the \$375.0 million commitment under the Term Loan to repay the balance outstanding under the Prior Term Loan. On December 14, 2015, the Term Loan was amended to be consistent with the revolving Credit Agreement with respect to the maximum leverage ratio, restrictions on priority debt and dividends, and other restricted payments. The Term Loan requires quarterly principal payments beginning in fiscal 2016, of which \$ 4.7 million was paid for the quarter ended January 29, 2016, and contains terms and conditions that are the same as the terms and conditions of the Credit Agreement. The Term Loan is guaranteed by each of our current and future material domestic subsidiaries and requires the maintenance of certain financial covenants, including leverage and interest coverage ratios. As of January 29, 2016, we were in compliance with all financial covenants of the Term Loan.

On October 12, 2011, we issued \$500.0 million aggregate principal amount of 5.125% Senior Notes due in 2021 in an offering that was registered under the Securities Act. Interest on the 2021 Notes is paid semi-annually in arrears on October 15 and April 15 of each year, and the 2021 Notes are guaranteed by each of our current and future material domestic subsidiaries. At our option, we may redeem some or all of the 2021 Notes at a redemption price of the greater of 100% of the principal amount of the 2021 Notes to be redeemed or the sum of the present values of the principal amounts and the remaining scheduled interest payments using a discount rate equal to the sum of a treasury rate of a comparable treasury issue plus 0.5%.

In November 2006, we issued Senior Notes for an aggregate principal amount of \$ 150.0 million at 6.625% due 2036 (the "2036 Notes"). Interest on the 2036 Notes is paid semi-annually in arrears on May 15 and November 15 of each year, and the 2036 Notes are guaranteed by each of our current and future material domestic subsidiaries. The 2036 Notes were originally issued in

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a private placement under an exemption from registration provided by the Securities Act. In the second quarter of fiscal 2007, the 2036 Notes were exchanged for substantially identical 2036 Notes in an exchange that was registered under the Securities Act. At our option, we may redeem some or all of the 2036 Notes at a redemption price of the greater of 100% of the principal amount of the 2036 Notes to be redeemed or the sum of the present values of the principal amounts and the remaining scheduled interest payments using a discount rate equal to the sum of a treasury rate of a comparable treasury issue plus 0.375% for the 2036 Notes.

### ***Stock Repurchase Program***

In August 2013, our Board of Directors authorized the Company to repurchase up to \$1.0 billion in shares of our common stock until August 2016. Under the program, the Company may repurchase shares in the open market in accordance with applicable SEC rules and regulations. During the quarter ended January 29, 2016, we did not repurchase any shares of common stock. During the quarter ended January 30, 2015, we purchased 954,580 shares of common stock for approximately \$50.0 million. The shares purchased during the first quarter of fiscal 2015 represent the latest purchases to date under the program. Since its inception, the Company has repurchased 9,771,605 shares of common stock under the program for approximately \$533.4 million, leaving \$466.6 million available under the program.

### ***Advance Payments and Progress Billings***

As part of the negotiation process associated with original equipment orders, contracts generally require advance payments and progress billings from our customers to support the procurement of inventory and other resources. As of January 29, 2016, advance payments and progress billings were \$235.5 million. As orders are shipped or costs are incurred, the advance payments and progress billings are recognized as revenue in the consolidated financial statements.

### ***Goodwill and Other Intangible Assets***

Finite-lived intangible assets are amortized to reflect the pattern of economic benefits consumed, which is principally the straight-line method. Intangible assets that are subject to amortization are evaluated for potential impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. No impairment was identified related to our finite-lived intangible assets as of January 29, 2016.

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. Goodwill is assigned to specific reporting units, and is tested for impairment at least annually, during the fourth quarter of our fiscal year, or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value. Due to the prolonged suppressed global commodity markets, its related effect on the global mining investment environment and the resulting impact on our stock price, our total shareholders' equity exceeded our market capitalization during the quarter ended January 29, 2016, indicating the possibility of an impairment to goodwill. Based on this indicator of impairment, we performed an interim test for impairment of goodwill as of the last day of our fiscal first quarter. This test was focused on our Surface reporting unit, as all Underground goodwill was fully impaired in the fourth quarter of fiscal 2015. After completing our step one analysis, we determined that the estimated fair value of our Surface reporting unit exceeded its carrying value. Although we have concluded that there is no impairment on the goodwill of \$354.6 million associated with our Surface segment as of the quarter ended January 29, 2016, we will continue to closely monitor this in the future considering the volatility and uncertainty in the markets. Should there be further market declines and/or a market capitalization that continues to be lower than our total shareholders' equity in future periods, there is increasing risk that Surface segment goodwill may be impaired.

### ***Financial Condition***

We believe our liquidity and capital resources are adequate to meet our projected needs for the next 12 months. We had \$ 139.9 million in cash and cash equivalents as of January 29, 2016 and \$708.1 million available for borrowings under the Credit Agreement. During the quarter ended January 29, 2016, the Company amended its Credit Agreement which, among other aspects, reduced the aggregate amount of revolving commitments of the lenders from \$1.0 billion to \$850.0 million and increased the consolidated leverage ratio. Even considering the amendment, we expect to meet our U.S. funding needs without repatriating undistributed offshore profits that are indefinitely reinvested outside the U.S., which would result in the incurrence of additional U.S. corporate income taxes on such repatriated undistributed profits. In addition, in the first quarter of fiscal 2016 we reduced dividends from \$0.20 per share to \$0.01 per share. If maintained, this action would reduce annual cash outlay by approximately \$75.0 million.

We expect our requirements for working capital, dividends, pension contributions, capital expenditures, acquisitions, stock repurchases and principal and interest payments on our Term Loan and Senior Notes will still be adequately funded by cash on hand and continuing operations, and supplemented by short and long term borrowings, as required.

### ***Off-Balance Sheet Arrangements***

We lease various assets under operating leases. No significant changes to lease commitments have occurred since our year ended October 30, 2015 . We have no other off-balance sheet arrangements.

### **Critical Accounting Estimates, Assumptions and Policies**

Our discussion and analysis of financial condition and results of operations is based on our Condensed Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these Condensed Consolidated Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We continually evaluate our estimates and judgments, including those related to revenue recognition, bad debts, inventory, goodwill and intangible assets, warranty, pension and postretirement benefits and costs, income taxes and contingencies. We base our estimates on historical experience and assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

We believe our accounting policies for revenue recognition, inventories, goodwill and other intangible assets, accrued warranties, pension and postretirement benefits and costs and income taxes are the policies that most frequently require us to make estimates and judgments, and therefore are critical to the understanding of our results of operations. Please refer to Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* of our Annual Report on Form 10-K for the year ended October 30, 2015 for a discussion of these policies.

Other than the impact of the adoption of ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* , as discussed in Note 19, *Recent Accounting Pronouncements*, in this Form 10-Q, there were no material changes to these policies since our year ended October 30, 2015 .

### **New Accounting Pronouncements**

Our new accounting pronouncements are set forth under Part I, Item 1 of this Quarterly Report on Form 10-Q and are incorporated herein by reference.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As more fully described in our Annual Report on Form 10-K for the year ended October 30, 2015 , we are exposed to various types of market risks, such as interest rate risk, commodity price risk and foreign currency risk. We monitor our risks on a continuous basis and generally enter into forward foreign currency contracts to minimize our foreign currency exposures. We do not engage in speculation in our derivative strategies. Gains and losses from foreign currency contract activities are offset by changes in the underlying costs of the transactions being hedged. There have been no material changes to our primary market risk exposures or how such risks are managed since our year ended October 30, 2015 .

### **Item 4. Controls and Procedures**

We have established disclosure controls and procedures to ensure that material information relating to us, including our consolidated subsidiaries, is made known on a timely basis to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures are effective (1) in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed in the reports we file or submit under the Exchange Act and (2) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our quarter ended January 29, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

We and our subsidiaries are involved in various unresolved legal matters that arise in the normal course of operations, the most prevalent of which relate to product liability (including approximately 3,530 asbestos and silica-related cases), employment and commercial matters. We and our subsidiaries also become involved from time to time in proceedings relating to environmental matters and litigation arising outside the ordinary course of business.

*SEC Investigation* . In the fourth quarter of 2014, we received a notice from the SEC's Division of Enforcement that it was conducting an investigation into certain matters involving our acquisition of International Mining Machinery Holdings Limited ("IMM") in 2012 and related accounting matters. The notice was accompanied by a subpoena directing us to produce a variety of documents. We have provided documents responsive to the subpoena and are cooperating with the SEC in its investigation. While it is not possible to predict the timing or outcome of the SEC inquiry, we currently believe that this matter will not have a material adverse effect on our consolidated results of operation, financial position, or liquidity.

### **Item 1A. Risk Factors**

During the quarter ended January 29, 2016 , there were no material changes from the risk factors disclosed in Item 1A of our Annual Report on Form 10-K for our fiscal year ended October 30, 2015 .

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

Not applicable.

### **Item 3. Defaults upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

The Company previously disclosed that in 2015 it commenced cost reduction initiatives in order to better align the Company's overall cost structure with anticipated levels of future demand. Costs related to these initiatives include entering into severance and termination agreements and full or partial closures of certain facilities. On March 3, 2016, the Company announced that additional restructuring charges in the range of \$20 million to \$30 million are expected in the remainder of fiscal 2016 as the company continues to reduce staffing levels and optimize its global manufacturing and service footprint. We incurred approximately \$26.7 million of charges under these programs in the first quarter of fiscal 2016, which consisted primarily of employee severance and termination costs and accelerated depreciation. See Note 11, *Restructuring Charges*, for additional information related to our restructuring programs.

**Item 6. Exhibits**

10.1	Form of Nonqualified Stock Option Agreement, dated December 7, 2015, between the registrant and each of its named executive officers in connection with nonqualified stock options granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.2	Form of Performance Share Agreement, dated December 7, 2015, between the registrant and each of its named executive officers in connection with performance share awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.3	Form of Restricted Stock Unit Award Agreement, dated December 7, 2015, between the registrant and each of its named executive officers in connection with restricted stock unit awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.4	Form of Special Restricted Stock Unit Award Agreement, dated December 7, 2015, between the registrant and each of its named executive officers in connection with restricted stock unit awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.5	Form of Nonqualified Stock Option Agreement, dated December 7, 2015, between the registrant and certain of its executive officers in connection with nonqualified stock options granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.6	Form of Performance Share Agreement, dated December 7, 2015, between the registrant and certain of its executive officers in connection with performance share awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.7	Form of Restricted Stock Unit Award Agreement, dated December 7, 2015, between the registrant and certain of its executive officers in connection with restricted stock unit awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.8	Amendment to Amended and Restated Credit Agreement dated as of July 29, 2014, as amended, between Joy Global Inc., as Borrower, and Bank of America, N.A., as Administrative Agent, effective as of February 19, 2016.
10.9	Amendment to Second Amended and Restated Credit Agreement dated as of July 29, 2014, as amended, between Joy Global Inc., as Borrower, and Bank of America, N.A., as Administrative Agent, effective as of February 19, 2016.
31.1	Chief Executive Officer Rule 13a-14(a)/15d-14(a) Certifications
31.2	Chief Financial Officer Rule 13a-14(a)/15d-14(a) Certifications
32.1	Section 1350 Certifications
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Milwaukee, Wisconsin, on March 4, 2016 .

JOY GLOBAL INC.  
(Registrant)

Date: March 4, 2016

/s/ James M. Sullivan

James M. Sullivan  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Date: March 4, 2016

/s/ Matthew S. Kulasa

Matthew S. Kulasa  
Vice President, Controller and Chief Accounting Officer  
(Principal Accounting Officer)

**NONQUALIFIED STOCK OPTION AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

1. Grant of Stock Option.
  - (a) Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee as of December 7, 2015, (the “Grant Date”) the right and option (the “Stock Option”) to purchase shares of common stock of the Company, par value \$1.00 per share (“Common Stock”), at the exercise price of \$12.19 share, which was the Fair Market Value of one share of Common Stock on the Grant Date (the “Exercise Price”). The Stock Option is a Nonqualified Stock Option. Unless earlier terminated pursuant to the terms of this Agreement, the Stock Option shall expire on the tenth anniversary of the Grant Date. Capitalized terms used and not defined in this Agreement have the meanings given to them in the Plan.
  - (b) Employee agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to Stock Options awarded under this Agreement.
  - (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (i) the Employee shall be considered to have declined the grant of the Stock Option, (ii) the Company’s grant of the Stock Option shall be deemed automatically rescinded and the Stock Option shall be null and void and (iii) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

2. Exercisability of the Stock Option. The Stock Option shall become vested and exercisable as follows: one-third of the shares covered thereby (rounded up to the next whole share) on December 7, 2016, an additional one-third of such shares (rounded up to the next whole share) on December 7, 2017, and the remainder of such shares on December 7, 2018, subject in each case to the prior expiration of the Stock Option. Notwithstanding the foregoing, the Stock Option, to the extent outstanding, shall become immediately vested and fully exercisable upon (a) a Change in Control (to the extent provided in Section 4(g)) or (b) a Termination of Employment due to death or Disability. Upon the effective date of the Employee's Termination of Employment for any reason other than death or Disability, any portion of the Stock Option that is not vested as of such date in accordance with the foregoing provisions of this Paragraph 2 shall cease vesting and be immediately forfeited.

3. Method of Exercise of the Stock Option.

- (a) The portion of the Stock Option as to which the Employee is vested shall be exercisable by delivery to the Secretary of the Company of a written notice stating the number of whole shares to be purchased pursuant to this Agreement and the date on which the Employee elects to exercise the Stock Option and shall be accompanied by payment of the full Exercise Price of the shares of Common Stock to be purchased.
- (b) The full Exercise Price of the Stock Option shall be paid in cash, by wire transfer, or by certified check or bank draft payable to the order of the Company, by exchange of shares of unrestricted Common Stock of the Company already owned by the Employee (that were purchased on the open market by the Employee or held for at least six months prior to exercise) and having an aggregate Fair Market Value equal to the full Exercise Price, or by any other procedure approved by the Committee, or by a combination of the foregoing.
- (c) Notice and payment of the Exercise Price may also be made through a brokerage firm pursuant to an arrangement approved by the Company in advance.

4. Terminations of Employment and Change in Control.

- (a) If the Employee incurs a Termination of Employment due to Disability, the Stock Option, to the extent outstanding at the time of such Termination of Employment, shall become immediately vested and fully exercisable and may be exercised by the Employee at any time prior to the first to occur of (i) one year after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire.
- (b) If the Employee incurs a Termination of Employment due to death, the Stock Option, to the extent outstanding at the time of such Termination of Employment, shall become immediately vested and fully exercisable and may be exercised by the Employee's estate or by a person who acquired the right to exercise such Stock Option by bequest, inheritance or otherwise by reason of the death of the Employee at any time prior to the first to occur of (i) one year after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire.
- (c) If the Employee incurs a Termination of Employment due to Retirement, the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) three years after such

Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.

- (d) If the Employee incurs a voluntary Termination of Employment by the Employee (other than Retirement), the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) 30 days after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (e) If the Employee incurs a Termination of Employment by the Company without Cause, the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) 90 days after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (f) If the Employee incurs a Termination of Employment by the Company for Cause, the entire Stock Option shall immediately expire as of such Termination of Employment.
- (g) In the event of a Change in Control while the Stock Option is outstanding: (i) the successor Company (or an affiliate) may assume or substitute the Stock Option and, if the Employee subsequently incurs a Termination of Employment by the Company without Cause, the Stock Option, to the extent outstanding, shall become immediately vested and fully exercisable; (ii) if the successor company does not assume or substitute the Stock Option, the Stock Option shall, as determined by the Committee, become immediately vested and fully exercisable immediately before the Change in Control and/or be terminated in exchange for payment of an amount equal to the excess, if any, of the Fair Market Value of one share of Common Stock immediately prior to the occurrence of the Change in Control over the Exercise Price per share, multiplied by the number of shares subject to the Stock Option.

5. Nontransferability. The Stock Option is not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Stock Option made, or any attachment, execution, garnishment, or lien issued against or placed upon the Stock Option, except as provided in the Plan, shall be void.

6. No Shareholder Rights Before Exercise. The Employee or a transferee of the Stock Option shall have no rights as a shareholder with respect to any shares covered by the Stock Option until the Employee or transferee has given written notice of exercise, has paid in full for such shares and, if requested by the Company, has given the representation described in Section 12(a) of the Plan. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date the events set forth above in this Paragraph 6 have occurred.

7. Adjustment in the Event of Change in Stock. In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of shares subject to the Stock Option and the exercise price per share shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to the Stock Option shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding) or a corporate transaction, such as any merger, consolidation or separation or any partial or complete liquidation of the Company, the number and kind of shares subject to the Stock Option and/or the exercise price per share may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to the Stock Option shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

8. Event of Restatement

- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws the Employee shall be required to reimburse or repay to the Company, or the Company may reduce the amount of the award subject to this Agreement, by any amount that the Company determines to be due pursuant to the Joy Global Compensation Recovery Policy (the "Policy") (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).
- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and/or causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement and the application of the Joy Global Compensation Recovery Policy as described in this Paragraph 8 shall be final, conclusive, and binding on all interested parties. This Paragraph 8 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

9. Payment of Transfer Taxes, Fees and Other Expenses. The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares acquired pursuant to exercise of the Stock Option, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

10. Other Restrictions on Exercisability. The exercise of the Stock Option and the delivery of share certificates upon such exercise shall be subject to the requirement that, if at any time the Committee shall determine that (a) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law or (b) the consent or approval of any government regulatory body is, in the case of (a) or (b), necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, then in any such event such exercise shall not be effective unless such listing, registration, qualification,

consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

11. Taxes and Withholdings. No later than the date of exercise of the Stock Option granted hereunder, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the exercise of such Stock Option, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the exercise of such Stock Option.

12. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

- (i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 12(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Stock Option is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.
- (ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.

- (b) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information

regarding costs, margins, and methods of estimating; and information regarding key employees.

- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.
- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee, consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 12(a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 2, which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 2 is attached to and forms a part of this Agreement.
- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly (i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 12(f), a "Company Employee" is any person (other than any personal assistant hired to work directly for the Employee) who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.

- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Stock Option. In the event of a breach of any of the Employee's covenants under this Paragraph 12, the entire Stock Option shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 12(j), at law, or otherwise.
- (j) Remedies. In the event of a breach of any of the Employee's covenants under this Paragraph 12, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore, in the event of a breach of any of the Employee's covenants under this Paragraph 12, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 12(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.
- (k) Jurisdiction. With respect to all disputes under this Paragraph 12, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if

litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 12.

(l) Additional Acknowledgements. The Employee acknowledges that:

- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 12 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and
- (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

13. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 13. Notice and communications shall be effective when actually received by the addressee.

14. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

15. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

16. Severability; Reformation. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any

provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law. The parties believe the restrictions in Paragraph 12 to be reasonable and necessary. However, if it is determined by a court of competent jurisdiction that any restriction in Paragraph 12 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, the parties agree that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by applicable law.

17. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

18. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

19. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Third-party Beneficiaries. Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

22. Miscellaneous.

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) Nothing in this Agreement, or any other agreement with, or policy of, the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.
- (c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

- (d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Sean D. Major  
Executive Vice President, General Counsel  
and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**EXECUTIVE LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Nonqualified Stock Option Agreement, entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

**PERFORMANCE SHARE AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”).

WHEREAS, the Company maintains the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), which is incorporated into and forms a part of this Agreement. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Plan, and

WHEREAS, the Employee has been selected by the Committee to receive an award of Performance Shares under the Plan.

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Employee, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the following meanings:
  - (a) The “Target Number of Performance Shares” is .
  - (b) The “Performance Shares Earned” shall be the number of Performance Shares earned by the Employee determined in accordance with (1) the provisions of Exhibit 1, which is attached to and forms a part of this Agreement, and (2) Section 7(a).
  - (c) The “Award Cycle” is the period beginning on the first day of the Company’s fiscal year 2016 and ending on the last day of the Company’s fiscal year 2018.
2. Award.
  - (a) Subject to the terms of this Agreement and the Plan, the Employee is hereby granted the Target Number of Performance Shares set forth in Paragraph 1(a). The award is a Qualified Performance-Based Award.
  - (b) Employee agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 2, with respect to this award.
  - (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (1) the Employee shall be considered to have declined the grant of the Performance Shares, (2) the

Company's grant of the Performance Shares shall be deemed automatically rescinded and the Performance Shares shall be null and void and (3) the Employee's acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

3. Distribution of Awards. The Company shall distribute to the Employee one share of Common Stock (or cash equal to the Fair Market Value of one share of Common Stock) for each Performance Share Earned. Subject to Paragraph 7, Performance Shares Earned shall be distributed solely in shares of Common Stock, solely in cash based on the Fair Market Value of the Common Stock, or in a combination of the two, as determined by the Committee in its sole discretion, except that any fractional share of Common Stock will be rounded to the nearest whole share.

4. Time of Distribution. Except as otherwise provided in this Agreement, shares and/or cash distributable in respect of Performance Shares Earned in accordance with the provisions of Paragraph 3 will be distributed on January 11, 2019, or such earlier date that is as soon as practicable after the end of the Award Cycle but no more than 30 days earlier. In no event may the Employee designate the taxable year of payment.

5. Termination of Employment Due to Retirement, Disability, Death, or Involuntary Termination of Employment Without Cause During Award Cycle. If the Employee experiences a Termination of Employment during the Award Cycle because of the Employee's Retirement, disability, death, or involuntary Termination of Employment without Cause, the Employee shall be entitled to a portion of the Performance Shares Earned in accordance with Exhibit 1, determined at the end of the Award Cycle. Such portion shall equal the number of Performance Shares Earned that would have been earned by the Employee had the Employee remained employed through the end of the Award Cycle (determined in accordance with Exhibit 1), multiplied by the quotient equal to (A) the number of full fiscal months the Employee was employed during the Award Cycle divided by (B) the total number of fiscal months in the Award Cycle.

6. Other Termination of Employment During Award Cycle. If the Employee experiences a Termination of Employment during the Award Cycle for any reason other than the Employee's Retirement, disability, death, or involuntary Termination of Employment without Cause, the award granted under this Agreement will be forfeited on the date of such Termination of Employment; *provided, however*, that in such circumstances the Committee, in its discretion, may determine that the Employee will be entitled to receive a pro rata or other portion of the Performance Shares Earned, determined at the end of the Award Cycle.

7. Change in Control. If a Change in Control occurs during the Award Cycle, and the Employee has not experienced a Termination of Employment before the Change in Control, the following provisions shall apply:

- (a) The Employee shall be entitled to the Performance Shares Earned that would have been earned by the Employee had the Employee remained employed through the

end of the Award Cycle in accordance with Exhibit 1 if the Performance Goal set forth in Exhibit 1 had been achieved, except that, if more than half of the Award Cycle has elapsed as of the date of the Change in Control, the Employee shall, if greater, be entitled to the Performance Shares Earned as of the date of the Change in Control (based on the Average Return on Equity for the Award Cycle through and including such date).

- (b) Notwithstanding the provisions of Paragraph 3, (i) if the Performance Shares Earned under Paragraph 7(a) are not assumed or substituted by the successor to the Company (or an affiliate), such Performance Shares shall be converted to a non-forfeitable right to receive an amount in cash equal to the Fair Market Value of one share of Common Stock on the date of the Change in Control times the number of Performance Shares Earned, and, unless the Company elects to terminate this Award (to the extent permitted by section 409A of the Code), the Award will be accumulated with interest from the date of the Change in Control until the payment date at a rate of 120 percent of the Federal mid-term rate (as in effect under section 1274 of the Code for the month in which the Change in Control occurs), and such amount shall be paid at the time of payment specified under Paragraph 4; and (ii) if the Performance Shares Earned under Paragraph 7(a) are assumed or substituted, such Performance Shares shall be converted to restricted stock units (in an amount equal to the number of Performance Shares Earned, adjusted under Paragraph 15), which shall become non-forfeitable if the Employee remains employed until the last day of the Award Cycle or until the award becomes non-forfeitable under Paragraph 5, or, if, during the remainder of the Award Cycle, the Employee incurs a Termination of Employment by the Company without Cause (and, in such case, the Award shall become non-forfeitable without proration), and in each case the restricted stock units, to the extent non-forfeitable, shall be settled at the time specified under Paragraph 4 in cash or shares.
  - (c) Distributions to the Employee under Paragraph 3 shall not be affected by payments under this Paragraph 7, except that before distributions are made under Paragraph 3, and after all computations required under Paragraph 3 have been made, the number of Performance Shares Earned by the Employee shall be reduced by the number of Performance Shares Earned with respect to which payment was made to the Employee under this Paragraph 7.
  - (d) The Employee shall not be required to repay any amounts to the Company on account of any distribution made under this Paragraph 7 for any reason, including failure to achieve the Performance Goal, other than as provided in Paragraph 8.
8. Event of Restatement.
- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws

the Employee shall be required to reimburse or repay to the Company, or the Company may reduce the amount of the award subject to this Agreement, by any amount that the Company determines to be due pursuant to the Joy Global Compensation Recovery Policy (the "Policy") (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).

- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and/or causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement and the application of the Joy Global Compensation Recovery Policy as described in this Paragraph 8 shall be final, conclusive, and binding on all interested parties. This Paragraph 8 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

9. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company, its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to the Employee under this Agreement that are not distributed at the time of the Employee's death shall be distributed at the time and in the form determined in accordance with the provisions of this Agreement and the Plan to the beneficiary designated by the Employee in writing filed with the Committee in such form and at such time as the Committee shall require. If the Employee fails to designate a beneficiary prior to his or her death, or if the designated beneficiary of the Employee dies before the Employee dies or before complete distribution of the amounts distributable under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Employee and the beneficiary.

10. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee and any decision made by it with respect to this Agreement are final and binding.

11. Plan Terms. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Employee from the office of the Secretary of the Company.

12. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

(i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 12(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Performance Award is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.

(ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.

(a) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information regarding costs, margins, and methods of estimating; and information regarding key employees.

- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.
- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee, consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 12(a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 3, which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 3 is attached to and forms a part of this Agreement.
- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly (i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 12(f), a "Company Employee" is any person (other than any personal assistant hired to work directly for the Employee)

who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.

- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Performance Award. In the event of a breach of any of the Employee's covenants under this Paragraph 12, the entire Performance Award shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 12(j), at law, or otherwise.
- (j) Remedies. In the event of a breach of any of the Employee's covenants under this Paragraph 12, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore, in the event of a breach of any of the Employee's covenants under this Paragraph 12, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in

Paragraphs 12(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (k) Jurisdiction. With respect to all disputes under this Paragraph 12, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 12.
- (l) Additional Acknowledgements. The Employee acknowledges that:
- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 12 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and
  - (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

13. Taxes and Withholdings. No later than the applicable distribution date for any distribution of shares and/or cash made under Paragraph 3, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal,

state or local taxes, and any non-U.S. taxes applicable to the Employee, of any kind required by law to be withheld upon such distribution, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon such distribution.

14. No Shareholder Rights Before Settlement. The Employee shall not be entitled to any privileges of ownership of shares of Common Stock with respect to this award unless and until shares of Common Stock are actually delivered to the Employee pursuant to this Agreement.

15. Adjustments. In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Performance Shares subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of Performance Shares subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, separation, or any partial or complete liquidation of the Company, the number and kind of Performance Shares subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of Performance Shares subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

16. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 16. Notice and communications shall be effective when actually received by the addressee.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent,

the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

18. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

19. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. However, the Company may terminate this award as set forth in Section 7(b).

20. Section 409A. If any distribution or settlement of a Performance Share pursuant to the terms of this Agreement or the Plan would subject the Employee to tax under Section 409A of the Code, the Company shall be entitled (but not required) to modify this Agreement and/or the Plan (in each case, without the consent of the Employee) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Employee.

21. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

22. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

23. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

24. Nontransferability. Performance Shares are not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Award Cycle, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Performance Shares made, or any attachment, execution, garnishment, or lien issued against or placed upon the Performance Shares, except as provided in the Plan, shall be void.

25. Third-party Beneficiaries. Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

26. Miscellaneous.

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or any of its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) Nothing in this Agreement, or any other agreement with, or policy of the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.
- (c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Edward L. Doheny II  
President and Chief Executive Officer

EMPLOYEE

By: \_\_\_\_\_

**PERFORMANCE MEASURES**

1. **Purpose**. This Exhibit sets forth the performance measures that will be applied to determine the Performance Shares Earned by the Participant under the 2016 Performance Share Program (the “2016 Program”) under the terms of the Performance Share Agreement entered into as of December 7, 2015.
2. **Performance Goal**. The Performance Goal applicable to the Participant under the 2016 Program shall be average diluted earnings per share (EPS) for the three year-cycle FY2016 through FY2018.
3. **Determination of Performance Shares Earned**. The number of Performance Shares Earned distributable to the Participant under this Agreement shall be determined from Operating Leverage and Earnings Per Share for the three-year cycle FY2016 through FY2018, at the following levels.

	<b><u>Target EPS Achievement</u></b>	<b><u>Payout Factor</u></b>
Minimum Payout	60%	0.25
Target Payout	100%	1.00
Maximum Payout	120%	1.50

Calculations will be interpolated for actual Target EPS achievements not illustrated.

**EXECUTIVE LEADERSHIP TEAM**  
**STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Performance Share Agreement entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee restricted stock units (the “Restricted Stock Units”) as of December 7, 2015, (the “Grant Date”). This grant constitutes an “other stock-based award” under Section 8 of the Plan. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan.

1. Vesting.

- (a) Subject to the provisions of Paragraph 5(a) of this Agreement, the Restricted Stock Units will vest, become non-forfeitable and be settled as follows: one-third on December 7, 2016 (with fractional units rounded up to the next whole unit); one-third on December 7, 2017, (with fractional units rounded up to the next whole unit); and the remainder on December 7, 2018.
- (b) Employee agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to this award.
- (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (1) the Employee shall be considered to have declined the grant of the Restricted Stock Units, (2) the Company’s grant of the Restricted Stock Units shall be deemed automatically rescinded and the Restricted Stock Units shall be null and void and (3) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

2. Restriction Period. The Restriction Period with respect to each Restricted Stock Unit is the time between the Grant Date and the date such Restricted Stock Unit vests.

3. No Shareholder Rights Before Settlement. The Employee shall not be entitled to any rights or privileges of ownership of shares of Common Stock with respect to any Restricted Stock Unit unless and until a share of Common Stock is actually delivered to the Employee in settlement of such Restricted Stock Unit pursuant to this Agreement.

4. Dividends. On each payment date with respect to any dividend or distribution to holders of Common Stock with a record date occurring during a Restriction Period, the Employee will be credited with additional Restricted Stock Units (rounded to the nearest whole unit) having a value equal to the amount of the dividend or distribution that would have been payable with respect to the unvested Restricted Stock Units if they had been actual shares of Common Stock on such record date, based on the Fair Market Value of a share of Common Stock on the applicable payment date. Such additional Restricted Stock Units shall also be credited with additional Restricted Stock Units as further dividends or distributions are declared, and all such additional Restricted Stock Units shall be subject to the same restrictions and conditions as the Restricted Stock Units with respect to which they were credited.

5. Forfeiture and Settlement of Units.

- (a) If the Employee incurs a Termination of Employment for any reason, any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment shall be forfeited; *provided, however*, that if such Termination of Employment is by reason of the Employee's death or Disability, the Restricted Stock Units shall become non-forfeitable; and *provided further* that if such Termination of Employment is due to Retirement, the Committee shall have the discretion to determine as of the date of such Retirement that any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment due to Retirement shall become non-forfeitable. If the Restricted Stock Units become nonforfeitable on account of the Employee's death or Disability (provided that, on account of the Disability, the Employee is disabled within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder) (a "409A Disability"), the Restricted Stock Units shall be settled as soon as practicable (but no more than 30 days) after the Employee's death or the 409A Disability. If the Restricted Stock Units become nonforfeitable on account of Disability (other than a 409A Disability) or, in the discretion of the Committee, on account of Retirement, the Restricted Stock Units shall continue to vest and be settled in accordance with the schedule in Paragraph 1 of this Agreement. If, in the event of the Employee's death, the Employee fails to designate a beneficiary, or if the designated beneficiary of the Employee dies before the Employee dies or before the complete payment of the amounts payable under this Agreement, the amounts to be paid under this Agreement shall be paid to the legal representative or representatives of the estate of the last to die of the Employee and the beneficiary.
- (b) Unless earlier forfeited or settled pursuant to Paragraph 5(a) of this Agreement, each Restricted Stock Unit shall be settled at the end of the Restriction Period applicable to such Restricted Stock Unit. Each Restricted Stock Unit settled pursuant to this Paragraph 5 shall be settled by delivery of one share of Common Stock. Any fractional Restricted Stock Units shall be rounded to the nearest whole number.

6. Change in Control and Corporate Events .

- (a) Notwithstanding any other provision of this Agreement, if a Change in Control occurs while Restricted Stock Units are outstanding: (i) if the Restricted Stock Units are not assumed or substituted by the successor to the Company (or an affiliate), the Restricted Stock Units shall be converted to a non-forfeitable right to receive an amount in cash equal to the Fair Market Value of one share of Common Stock on the date of the Change in Control times the number of Restricted Stock Units, accumulated with interest from the date of the Change in Control until the payment date at a rate of 120 percent of the Federal mid-term rate (as in effect under section 1274 of the Code for the month in which the Change in Control occurs); and (ii) if the Restricted Stock Units are assumed or substituted by the successor to the Company (or an affiliate), the Award shall become non-forfeitable in accordance with Paragraphs 1 and 5, except that if, after the Change in Control, the Employee incurs a Termination of Employment by the Company without Cause while Restricted Stock Units are outstanding, the Restricted Stock Units shall become non-forfeitable. In each case, the Award, to the extent non-forfeitable, shall be settled or paid at the time specified in Paragraphs 1 and 5 of this Agreement, unless the Company elects to terminate this Award (to the extent permitted by section 409A of the Code).
- (b) In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Restricted Stock Units subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however* , that the number of Restricted Stock Units subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, or separation, or any partial or complete liquidation of the Company, the number and kind of Restricted Stock Units subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; provided, however, that the number of Restricted Stock Units subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

7. Event of Restatement .

- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws the Employee shall be required to reimburse or repay to the Company, or the Company may reduce the amount of the award subject to this Agreement, by any

amount that the Company determines to be due pursuant to the Joy Global Compensation Recovery Policy (the "Policy") (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).

- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and/or causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement and the application of the Joy Global Compensation Recovery Policy as described in this Paragraph 7 shall be final, conclusive, and binding on all interested parties. This Paragraph 7 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

8. Nontransferability. Restricted Stock Units granted under this Agreement are not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Restricted Stock Units made, or any attachment, execution, garnishment, or lien issued against or placed upon the Restricted Stock Units, except as provided in the Plan, shall be void.

9. Administration. This Agreement and the rights of the Employee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee.

10. Taxes and Withholdings. No later than the applicable date of settlement of the Restricted Stock Units, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local, and applicable non-U.S. taxes, of any kind required by law to be withheld upon the settlement of such Restricted Stock Units, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the settlement of such Restricted Stock Units.

11. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between

the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

- (i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 11(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Restricted Stock Units is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.
- (ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.

- (b) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information regarding costs, margins, and methods of estimating; and information regarding key employees.

- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee

shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.

- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee, consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 11(a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 2 which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 2 is attached to and forms a part of this Agreement.
- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly (i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 11(f), a "Company Employee" is any person (other than any personal assistant hired to work directly for the Employee) who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.

- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Restricted Stock Units. In the event of a breach of any of the Employee's covenants under this Paragraph 11, the Restricted Stock Units shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 11(j), at law, or otherwise.
- (j) Remedies. In the event of a breach of any of the Employee's covenants under this Paragraph 11, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore, in the event of a breach of any of the Employee's covenants under this Paragraph 11, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 11(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its

Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (k) Jurisdiction. With respect to all disputes under this Paragraph 11, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 11.
- (l) Additional Acknowledgements. The Employee acknowledges that:
- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 11 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and
  - (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

12. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.

100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 12. Notice and communications shall be effective when actually received by the addressee.

13. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

14. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

15. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

16. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

17. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

18. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. However, the Company may terminate this award as set forth in Section 6(a).

19. Section 409A of the Code. This Agreement and the Plan are intended, and shall be construed, to comply with the requirements of Section 409A of the Code. However, neither the Agreement nor the Plan transfers to the Company or any entity or other individual any tax or penalty that is the responsibility of the Employee. If any distribution or settlement of a Restricted Stock Unit pursuant to the terms of this Agreement or the Plan would subject the Employee to tax under Section 409A of the Code, the Company shall modify this Agreement and/or the Plan (in each case, without the consent of the Employee) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Employee.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Third-party Beneficiaries. Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

22. Miscellaneous.

(a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.

(b) Nothing in this Agreement, or any other agreement with, or policy of the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.

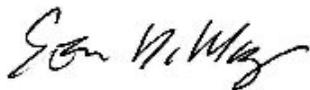
(c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators

and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Sean D. Major  
Executive Vice President, General Counsel  
and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**EXECUTIVE LEADERSHIP TEAM**  
**STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Restricted Stock Unit Award Agreement, entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee restricted stock units (the “Restricted Stock Units”) as of December 7, 2015, (the “Grant Date”). This grant constitutes an “other stock-based award” under Section 8 of the Plan. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan.

1. Vesting.
  - (a) Subject to the provisions of Paragraph 5(a) of this Agreement, the Restricted Stock Units will vest, become non-forfeitable and be settled as follows: one-half on December 7, 2017 (with fractional units rounded up to the next whole unit) and the remainder on December 7, 2018.
  - (b) Employee agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to this award.
  - (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (1) the Employee shall be considered to have declined the grant of the Restricted Stock Units, (2) the Company’s grant of the Restricted Stock Units shall be deemed automatically rescinded and the Restricted Stock Units shall be null and void and (3) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.
2. Restriction Period. The Restriction Period with respect to each Restricted Stock Unit is the time between the Grant Date and the date such Restricted Stock Unit vests.
3. No Shareholder Rights Before Settlement. The Employee shall not be entitled to any rights or privileges of ownership of shares of Common Stock with respect to any Restricted Stock Unit unless and until a share of Common Stock is actually delivered to the Employee in settlement of such Restricted Stock Unit pursuant to this Agreement.

4. Dividends. On each payment date with respect to any dividend or distribution to holders of Common Stock with a record date occurring during a Restriction Period, the Employee will be credited with additional Restricted Stock Units (rounded to the nearest whole unit) having a value equal to the amount of the dividend or distribution that would have been payable with respect to the unvested Restricted Stock Units if they had been actual shares of Common Stock on such record date, based on the Fair Market Value of a share of Common Stock on the applicable payment date. Such additional Restricted Stock Units shall also be credited with additional Restricted Stock Units as further dividends or distributions are declared, and all such additional Restricted Stock Units shall be subject to the same restrictions and conditions as the Restricted Stock Units with respect to which they were credited.

5. Forfeiture and Settlement of Units.

- (a) If the Employee incurs a Termination of Employment for any reason, any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment shall be forfeited; *provided, however*, that if such Termination of Employment is by reason of the Employee's death or Disability, the Restricted Stock Units shall become non-forfeitable; and *provided further* that if such Termination of Employment is due to Retirement, the Committee shall have the discretion to determine as of the date of such Retirement that any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment due to Retirement shall become non-forfeitable. If the Restricted Stock Units become nonforfeitable on account of the Employee's death or Disability (provided that, on account of the Disability, the Employee is disabled within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder) (a "409A Disability"), the Restricted Stock Units shall be settled as soon as practicable (but no more than 30 days) after the Employee's death or the 409A Disability. If the Restricted Stock Units become nonforfeitable on account of Disability (other than a 409A Disability) or, in the discretion of the Committee, on account of Retirement, the Restricted Stock Units shall continue to vest and be settled in accordance with the schedule in Paragraph 1 of this Agreement. If, in the event of the Employee's death, the Employee fails to designate a beneficiary, or if the designated beneficiary of the Employee dies before the Employee dies or before the complete payment of the amounts payable under this Agreement, the amounts to be paid under this Agreement shall be paid to the legal representative or representatives of the estate of the last to die of the Employee and the beneficiary.
- (b) Unless earlier forfeited or settled pursuant to Paragraph 5(a) of this Agreement, each Restricted Stock Unit shall be settled at the end of the Restriction Period applicable to such Restricted Stock Unit. Each Restricted Stock Unit settled pursuant to this Paragraph 5 shall be settled by delivery of one share of Common Stock. Any fractional Restricted Stock Units shall be rounded to the nearest whole number.

6. Change in Control and Corporate Events .

- (a) Notwithstanding any other provision of this Agreement, if a Change in Control occurs while Restricted Stock Units are outstanding: (i) if the Restricted Stock Units are not assumed or substituted by the successor to the Company (or an affiliate), the Restricted Stock Units shall be converted to a non-forfeitable right to receive an amount in cash equal to the Fair Market Value of one share of Common Stock on the date of the Change in Control times the number of Restricted Stock Units, accumulated with interest from the date of the Change in Control until the payment date at a rate of 120 percent of the Federal mid-term rate (as in effect under section 1274 of the Code for the month in which the Change in Control occurs); and (ii) if the Restricted Stock Units are assumed or substituted by the successor to the Company (or an affiliate), the Award shall become non-forfeitable in accordance with Paragraphs 1 and 5, except that if, after the Change in Control, the Employee incurs a Termination of Employment by the Company without Cause while Restricted Stock Units are outstanding, the Restricted Stock Units shall become non-forfeitable. In each case, the Award, to the extent non-forfeitable, shall be settled or paid at the time specified in Paragraphs 1 and 5 of this Agreement, unless the Company elects to terminate this Award (to the extent permitted by section 409A of the Code).
- (b) In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Restricted Stock Units subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however* , that the number of Restricted Stock Units subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, or separation, or any partial or complete liquidation of the Company, the number and kind of Restricted Stock Units subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; provided, however, that the number of Restricted Stock Units subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

7. Event of Restatement .

- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws the Employee shall be required to reimburse or repay to the Company, or the Company may reduce the amount of the award subject to this Agreement, by any

amount that the Company determines to be due pursuant to the Joy Global Compensation Recovery Policy (the "Policy") (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).

- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and/or causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement and the application of the Joy Global Compensation Recovery Policy as described in this Paragraph 7 shall be final, conclusive, and binding on all interested parties. This Paragraph 7 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

8. Nontransferability. Restricted Stock Units granted under this Agreement are not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Restricted Stock Units made, or any attachment, execution, garnishment, or lien issued against or placed upon the Restricted Stock Units, except as provided in the Plan, shall be void.

9. Administration. This Agreement and the rights of the Employee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee.

10. Taxes and Withholdings. No later than the applicable date of settlement of the Restricted Stock Units, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local, and applicable non-U.S. taxes, of any kind required by law to be withheld upon the settlement of such Restricted Stock Units, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the settlement of such Restricted Stock Units.

11. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between

the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

- (i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 11(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Restricted Stock Units is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.
- (ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.

- (b) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information regarding costs, margins, and methods of estimating; and information regarding key employees.

- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee

shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.

- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee, consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 11(a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 2 which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 2 is attached to and forms a part of this Agreement.
- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly (i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 11(f), a "Company Employee" is any person (other than any personal assistant hired to work directly for the Employee) who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.

- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Restricted Stock Units. In the event of a breach of any of the Employee's covenants under this Paragraph 11, the Restricted Stock Units shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 11(j), at law, or otherwise.
- (j) Remedies. In the event of a breach of any of the Employee's covenants under this Paragraph 11, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore, in the event of a breach of any of the Employee's covenants under this Paragraph 11, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 11(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its

Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (k) Jurisdiction. With respect to all disputes under this Paragraph 11, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 11.
- (l) Additional Acknowledgements. The Employee acknowledges that:
- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 11 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and
  - (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

12. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780

Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 12. Notice and communications shall be effective when actually received by the addressee.

13. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

14. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

15. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

16. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

17. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

18. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. However, the Company may terminate this award as set forth in Section 6(a).

19. Section 409A of the Code. This Agreement and the Plan are intended, and shall be construed, to comply with the requirements of Section 409A of the Code. However, neither the Agreement nor the Plan transfers to the Company or any entity or other individual any tax or penalty that is the responsibility of the Employee. If any distribution or settlement of a

Restricted Stock Unit pursuant to the terms of this Agreement or the Plan would subject the Employee to tax under Section 409A of the Code, the Company shall modify this Agreement and/or the Plan (in each case, without the consent of the Employee) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Employee.

20. Counterparts . This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Third-party Beneficiaries . Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

22. Miscellaneous .

(a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.

(b) Nothing in this Agreement, or any other agreement with, or policy of the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.

(c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Sean D. Major  
Executive Vice President, General Counsel  
and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**EXECUTIVE LEADERSHIP TEAM**  
**STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Restricted Stock Unit Award Agreement, entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

**NONQUALIFIED STOCK OPTION AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

1. Grant of Stock Option.

- (a) Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee as of December 7, 2015, (the “Grant Date”) the right and option (the “Stock Option”) to purchase shares of common stock of the Company, par value \$1.00 per share (“Common Stock”), at the exercise price of \$12.19 share, which was the Fair Market Value of one share of Common Stock on the Grant Date (the “Exercise Price”). The Stock Option is a Nonqualified Stock Option. Unless earlier terminated pursuant to the terms of this Agreement, the Stock Option shall expire on the tenth anniversary of the Grant Date. Capitalized terms used and not defined in this Agreement have the meanings given to them in the Plan.
- (b) Employee agrees to comply with the Company’s Senior Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to Stock Options awarded under this Agreement.
- (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (i) the Employee shall be considered to have declined the grant of the Stock Option, (ii) the Company’s grant of the Stock Option shall be deemed automatically rescinded and the Stock Option shall be null and void and (iii) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

2. Exercisability of the Stock Option. The Stock Option shall become vested and exercisable as follows: one-third of the shares covered thereby (rounded up to the next whole share) on December 7, 2016, an additional one-third of such shares (rounded up to the next whole share) on December 7, 2017, and the remainder of such shares on December 7, 2018, subject in each case to the prior expiration of the Stock Option. Notwithstanding the foregoing, the Stock Option, to the extent outstanding, shall become immediately vested and fully exercisable upon (a) a Change in Control (to the extent provided in Section 4(g)) or (b) a Termination of Employment due to death or Disability. Upon the effective date of the Employee’s Termination of Employment for any reason other than death or Disability, any

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portion of the Stock Option that is not vested as of such date in accordance with the foregoing provisions of this Paragraph 2 shall cease vesting and be immediately forfeited.

3. Method of Exercise of the Stock Option.

- (a) The portion of the Stock Option as to which the Employee is vested shall be exercisable by delivery to the Secretary of the Company of a written notice stating the number of whole shares to be purchased pursuant to this Agreement and the date on which the Employee elects to exercise the Stock Option and shall be accompanied by payment of the full Exercise Price of the shares of Common Stock to be purchased.
- (b) The full Exercise Price of the Stock Option shall be paid in cash, by wire transfer, or by certified check or bank draft payable to the order of the Company, by exchange of shares of unrestricted Common Stock of the Company already owned by the Employee (that were purchased on the open market by the Employee or held for at least six months prior to exercise) and having an aggregate Fair Market Value equal to the full Exercise Price, or by any other procedure approved by the Committee, or by a combination of the foregoing.
- (c) Notice and payment of the Exercise Price may also be made through a brokerage firm pursuant to an arrangement approved by the Company in advance.

4. Terminations of Employment and Change in Control.

- (a) If the Employee incurs a Termination of Employment due to Disability, the Stock Option, to the extent outstanding at the time of such Termination of Employment, shall become immediately vested and fully exercisable and may be exercised by the Employee at any time prior to the first to occur of (i) one year after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire.
- (b) If the Employee incurs a Termination of Employment due to death, the Stock Option, to the extent outstanding at the time of such Termination of Employment, shall become immediately vested and fully exercisable and may be exercised by the Employee's estate or by a person who acquired the right to exercise such Stock Option by bequest, inheritance or otherwise by reason of the death of the Employee at any time prior to the first to occur of (i) one year after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire.
- (c) If the Employee incurs a Termination of Employment due to Retirement, the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) three years after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of

the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.

- (d) If the Employee incurs a voluntary Termination of Employment by the Employee (other than Retirement), the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) 30 days after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (e) If the Employee incurs a Termination of Employment by the Company without Cause, the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) 90 days after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (f) If the Employee incurs a Termination of Employment by the Company for Cause, the entire Stock Option shall immediately expire as of such Termination of Employment.
- (g) In the event of a Change in Control while the Stock Option is outstanding: (i) the successor Company (or an affiliate) may assume or substitute the Stock Option and, if the Employee subsequently incurs a Termination of Employment by the Company without Cause, the Stock Option, to the extent outstanding, shall become immediately vested and fully exercisable; (ii) if the successor company does not assume or substitute the Stock Option, the Stock Option shall, as determined by the Committee, become immediately vested and fully exercisable immediately before the Change in Control and/or be terminated in exchange for payment of an amount equal to the excess, if any, of the Fair Market Value of one share of Common Stock immediately prior to the occurrence of the Change in Control over the Exercise Price per share, multiplied by the number of shares subject to the Stock Option.

5. Nontransferability. The Stock Option is not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Stock Option made, or any attachment, execution, garnishment, or lien issued against or placed upon the Stock Option, except as provided in the Plan, shall be void.

6. No Shareholder Rights Before Exercise. The Employee or a transferee of the Stock Option shall have no rights as a shareholder with respect to any shares covered by the Stock Option until the Employee or transferee has given written notice of exercise, has paid in full for such shares and, if requested by the Company, has given the representation described in

Section 12(a) of the Plan. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date the events set forth above in this Paragraph 6 have occurred.

7. Adjustment in the Event of Change in Stock. In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of shares subject to the Stock Option and the exercise price per share shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to the Stock Option shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding) or a corporate transaction, such as any merger, consolidation or separation or any partial or complete liquidation of the Company, the number and kind of shares subject to the Stock Option and/or the exercise price per share may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to the Stock Option shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

8. Event of Restatement

- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws:
  - (i) the Employee shall pay to the Company any gain the Employee received in connection with the award under this Agreement to the extent, determined by the Board or Committee, that the Employee would have received less gain based upon the restated financial results, and "gain" for this purpose shall include the proceeds of any sale of stock of the Company, after the award has been settled; and
  - (ii) the amount of the award under this Agreement shall be reduced to the extent, determined by the Board or Committee, such amount would have been lower based upon the restated financial results.
- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including, to the extent permitted by law, seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement as described in this Paragraph 8 shall be final and conclusive. This Paragraph 8 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

9. Payment of Transfer Taxes, Fees and Other Expenses. The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares acquired pursuant to exercise of the Stock Option, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

10. Other Restrictions on Exercisability. The exercise of the Stock Option and the delivery of share certificates upon such exercise shall be subject to the requirement that, if at any time the Committee shall determine that (a) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law or (b) the consent or approval of any government regulatory body is, in the case of (a) or (b), necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, then in any such event such exercise shall not be effective unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

11. Taxes and Withholdings. No later than the date of exercise of the Stock Option granted hereunder, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the exercise of such Stock Option, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the exercise of such Stock Option.

12. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

- (i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 12(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Stock Option is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek

to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.

- (ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.
  
- (b) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information regarding costs, margins, and methods of estimating; and information regarding key employees.
  
- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.
  
- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
  
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee,

consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 12(a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 2, which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 2 is attached to and forms a part of this Agreement.

- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly (i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 12(f), a "Company Employee" is any person (other than any personal assistant hired to work directly for the Employee) who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.
- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Stock Option. In the event of a breach of any of the Employee's covenants under this Paragraph 12, the entire Stock Option shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its

Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 12(j), at law, or otherwise.

- (j) Remedies. In the event of a breach of any of the Employee's covenants under this Paragraph 12, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore, in the event of a breach of any of the Employee's covenants under this Paragraph 12, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 12(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.
- (k) Jurisdiction. With respect to all disputes under this Paragraph 12, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 12.

(l) Additional Acknowledgements. The Employee acknowledges that:

- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 12 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and
- (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

13. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 13. Notice and communications shall be effective when actually received by the addressee.

14. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

15. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

16. Severability; Reformation. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law. The parties believe the restrictions in Paragraph 12 to be reasonable and necessary. However, if it is determined by a court of competent jurisdiction that any restriction in Paragraph 12 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, the parties agree that such restriction may

be modified or amended by the court to render it enforceable to the maximum extent permitted by applicable law.

17. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

18. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

19. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Third-party Beneficiaries. Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

22. Miscellaneous.

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) Nothing in this Agreement, or any other agreement with, or policy of, the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.
- (c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

- (d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Sean D. Major  
Executive Vice President, General Counsel  
and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**SENIOR LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Senior Leadership Team shall be subject to the following minimum ownership requirements for shares of the Company's common stock:

- Each executive who is a member of the Senior Leadership Team is expected to acquire and maintain common stock in the Company equal to 1.5 times his or her annual salary. Until the 1.5 times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon (A) any settlement of Joy Global restricted stock units granted on December 7, 2015, (B) any payment or distribution in respect of Joy Global performance awards granted on December 7, 2015, (C) any exercise of Joy Global stock options granted on December 7, 2015, or (D) any settlement of other Joy Global stock awards granted on December 7, 2015. After the 1.5 times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the executive from subsequent settlements of restricted stock units, payments or distributions of performance awards, exercises of stock options and settlements of other stock awards (excluding, in each case, those granted before December 7, 2015 that are not similarly covered by this Stock Ownership Policy) as may be necessary at that time to satisfy the 1.5 times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock received in connection with equity awards granted on December 7, 2015 (A) until the ownership requirement has been met or (B) after the ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Nonqualified Stock Option Agreement, entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

**PERFORMANCE SHARE AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”).

WHEREAS, the Company maintains the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), which is incorporated into and forms a part of this Agreement. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Plan, and

WHEREAS, the Employee has been selected by the Committee to receive an award of Performance Shares under the Plan.

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Employee, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the following meanings:
  - (a) The “Target Number of Performance Shares” is .
  - (b) The “Performance Shares Earned” shall be the number of Performance Shares earned by the Employee determined in accordance with (1) the provisions of Exhibit 1, which is attached to and forms a part of this Agreement, and (2) Section 7(a).
  - (c) The “Award Cycle” is the period beginning on the first day of the Company’s fiscal year 2016 and ending on the last day of the Company’s fiscal year 2018.
2. Award.
  - (a) Subject to the terms of this Agreement and the Plan, the Employee is hereby granted the Target Number of Performance Shares set forth in Paragraph 1(a). The award is a Qualified Performance-Based Award.
  - (b) Employee agrees to comply with the Company’s Senior Leadership Team Stock Ownership Policy, which is attached as Exhibit 2, with respect to this award.
  - (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (1) the Employee shall be considered to have declined the grant of the Performance Shares, (2) the

Company's grant of the Performance Shares shall be deemed automatically rescinded and the Performance Shares shall be null and void and (3) the Employee's acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

3. Distribution of Awards. The Company shall distribute to the Employee one share of Common Stock (or cash equal to the Fair Market Value of one share of Common Stock) for each Performance Share Earned. Subject to Paragraph 7, Performance Shares Earned shall be distributed solely in shares of Common Stock, solely in cash based on the Fair Market Value of the Common Stock, or in a combination of the two, as determined by the Committee in its sole discretion, except that any fractional share of Common Stock will be rounded to the nearest whole share.

4. Time of Distribution. Except as otherwise provided in this Agreement, shares and/or cash distributable in respect of Performance Shares Earned in accordance with the provisions of Paragraph 3 will be distributed on January 11, 2019, or such earlier date that is as soon as practicable after the end of the Award Cycle but no more than 30 days earlier. In no event may the Employee designate the taxable year of payment.

5. Termination of Employment Due to Retirement, Disability, Death, or Involuntary Termination of Employment Without Cause During Award Cycle. If the Employee experiences a Termination of Employment during the Award Cycle because of the Employee's Retirement, disability, death, or involuntary Termination of Employment without Cause, the Employee shall be entitled to a portion of the Performance Shares Earned in accordance with Exhibit 1, determined at the end of the Award Cycle. Such portion shall equal the number of Performance Shares Earned that would have been earned by the Employee had the Employee remained employed through the end of the Award Cycle (determined in accordance with Exhibit 1), multiplied by the quotient equal to (A) the number of full fiscal months the Employee was employed during the Award Cycle divided by (B) the total number of fiscal months in the Award Cycle.

6. Other Termination of Employment During Award Cycle. If the Employee experiences a Termination of Employment during the Award Cycle for any reason other than the Employee's Retirement, disability, death, or involuntary Termination of Employment without Cause, the award granted under this Agreement will be forfeited on the date of such Termination of Employment; *provided, however*, that in such circumstances the Committee, in its discretion, may determine that the Employee will be entitled to receive a pro rata or other portion of the Performance Shares Earned, determined at the end of the Award Cycle.

7. Change in Control. If a Change in Control occurs during the Award Cycle, and the Employee has not experienced a Termination of Employment before the Change in Control, the following provisions shall apply:

- (a) The Employee shall be entitled to the Performance Shares Earned that would have been earned by the Employee had the Employee remained employed through the

end of the Award Cycle in accordance with Exhibit 1 if the Performance Goal set forth in Exhibit 1 had been achieved, except that, if more than half of the Award Cycle has elapsed as of the date of the Change in Control, the Employee shall, if greater, be entitled to the Performance Shares Earned as of the date of the Change in Control (based on the Average Return on Equity for the Award Cycle through and including such date).

- (b) Notwithstanding the provisions of Paragraph 3, (i) if the Performance Shares Earned under Paragraph 7(a) are not assumed or substituted by the successor to the Company (or an affiliate), such Performance Shares shall be converted to a non-forfeitable right to receive an amount in cash equal to the Fair Market Value of one share of Common Stock on the date of the Change in Control times the number of Performance Shares Earned, and, unless the Company elects to terminate this Award (to the extent permitted by section 409A of the Code), the Award will be accumulated with interest from the date of the Change in Control until the payment date at a rate of 120 percent of the Federal mid-term rate (as in effect under section 1274 of the Code for the month in which the Change in Control occurs), and such amount shall be paid at the time of payment specified under Paragraph 4; and (ii) if the Performance Shares Earned under Paragraph 7(a) are assumed or substituted, such Performance Shares shall be converted to restricted stock units (in an amount equal to the number of Performance Shares Earned, adjusted under Paragraph 15), which shall become non-forfeitable if the Employee remains employed until the last day of the Award Cycle or until the award becomes non-forfeitable under Paragraph 5, or, if, during the remainder of the Award Cycle, the Employee incurs a Termination of Employment by the Company without Cause (and, in such case, the Award shall become non-forfeitable without proration), and in each case the restricted stock units, to the extent non-forfeitable, shall be settled at the time specified under Paragraph 4 in cash or shares.
- (c) Distributions to the Employee under Paragraph 3 shall not be affected by payments under this Paragraph 7, except that before distributions are made under Paragraph 3, and after all computations required under Paragraph 3 have been made, the number of Performance Shares Earned by the Employee shall be reduced by the number of Performance Shares Earned with respect to which payment was made to the Employee under this Paragraph 7.
- (d) The Employee shall not be required to repay any amounts to the Company on account of any distribution made under this Paragraph 7 for any reason, including failure to achieve the Performance Goal, other than as provided in Paragraph 8.

8. Event of Restatement.

- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws:
  - (i) the Employee shall pay to the Company any gain the Employee received in connection with the award under this Agreement to the extent, determined by the Board or Committee, that the Employee would have received less gain based upon the restated financial results, and "gain" for this purpose shall include the proceeds of any sale of stock of the Company, after the award has been settled; and
  - (ii) the amount of the award under this Agreement shall be reduced to the extent, determined by the Board or Committee, such amount would have been lower based upon the restated financial results.
- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including, to the extent permitted by law, seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement as described in this Paragraph 8 shall be final and conclusive. This Paragraph 8 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

9. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company, its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to the Employee under this Agreement that are not distributed at the time of the Employee's death shall be distributed at the time and in the form determined in accordance with the provisions of this Agreement and the Plan to the beneficiary designated by the Employee in writing filed with the Committee in such form and at such time as the Committee shall require. If the Employee fails to designate a beneficiary prior to his or her death, or if the designated beneficiary of the Employee dies before the Employee dies or before complete distribution of the amounts distributable under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Employee and the beneficiary.

10. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee and any decision made by it with respect to this Agreement are final and binding.

11. Plan Terms. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Employee from the office of the Secretary of the Company.

12. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

(i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 12(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Performance Award is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.

(ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.

(b) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy

particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information regarding costs, margins, and methods of estimating; and information regarding key employees.

- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.
- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee, consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 12 (a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 3, which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 3 is attached to and forms a part of this Agreement.
- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly

(i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 12(f), a “Company Employee” is any person (other than any personal assistant hired to work directly for the Employee) who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.

- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee’s efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Performance Award. In the event of a breach of any of the Employee’s covenants under this Paragraph 12, the entire Performance Award shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 12(j), at law, or otherwise.
- (j) Remedies. In the event of a breach of any of the Employee’s covenants under this Paragraph 12, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore,

in the event of a breach of any of the Employee's covenants under this Paragraph 12, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 12(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (k) Jurisdiction. With respect to all disputes under this Paragraph 12, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 12.
- (l) Additional Acknowledgements. The Employee acknowledges that:
- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 12 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and

- (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

13. Taxes and Withholdings. No later than the applicable distribution date for any distribution of shares and/or cash made under Paragraph 3, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state or local taxes, and any non-U.S. taxes applicable to the Employee, of any kind required by law to be withheld upon such distribution, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon such distribution.

14. No Shareholder Rights Before Settlement. The Employee shall not be entitled to any privileges of ownership of shares of Common Stock with respect to this award unless and until shares of Common Stock are actually delivered to the Employee pursuant to this Agreement.

15. Adjustments. In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Performance Shares subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of Performance Shares subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, separation, or any partial or complete liquidation of the Company, the number and kind of Performance Shares subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of Performance Shares subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

16. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 16. Notice and communications shall be effective when actually received by the addressee.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

18. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

19. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. However, the Company may terminate this award as set forth in Section 7(b).

20. Section 409A. If any distribution or settlement of a Performance Share pursuant to the terms of this Agreement or the Plan would subject the Employee to tax under Section 409A of the Code, the Company shall be entitled (but not required) to modify this Agreement and/or the Plan (in each case, without the consent of the Employee) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Employee.

21. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

22. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

23. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

24. Nontransferability. Performance Shares are not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Award Cycle, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Performance Shares made, or any attachment, execution, garnishment, or lien issued against or placed upon the Performance Shares, except as provided in the Plan, shall be void.

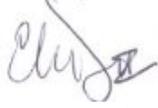
25. Third-party Beneficiaries. Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

26. Miscellaneous.

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or any of its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) Nothing in this Agreement, or any other agreement with, or policy of the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.
- (c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Edward L. Doherty II  
President and Chief Executive Officer

EMPLOYEE

By: \_\_\_\_\_

**PERFORMANCE MEASURES**

1. **Purpose**. This Exhibit sets forth the performance measures that will be applied to determine the Performance Shares Earned by the Participant under the 2016 Performance Share Program (the “2016 Program”) under the terms of the Performance Share Agreement entered into as of December 7, 2015.
2. **Performance Goal**. The Performance Goal applicable to the Participant under the 2016 Program shall be average diluted earnings per share (EPS) for the three year-cycle FY2016 through FY2018.
3. **Determination of Performance Shares Earned**. The number of Performance Shares Earned distributable to the Participant under this Agreement shall be determined from Operating Leverage and Earnings Per Share for the three-year cycle FY2016 through FY2018, at the following levels.

	<b><u>Target EPS Achievement</u></b>	<b><u>Payout Factor</u></b>
Minimum Payout	60%	0.25
Target Payout	100%	1.00
Maximum Payout	120%	1.50

Calculations will be interpolated for actual Target EPS achievements not illustrated.

**SENIOR LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Senior Leadership Team shall be subject to the following minimum ownership requirements for shares of the Company's common stock:

- Each executive who is a member of the Senior Leadership Team is expected to acquire and maintain common stock in the Company equal to 1.5 times his or her annual salary. Until the 1.5 times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon (A) any settlement of Joy Global restricted stock units granted on December 7, 2015, (B) any payment or distribution in respect of Joy Global performance awards granted on December 7, 2015, (C) any exercise of Joy Global stock options granted on December 7, 2015, or (D) any settlement of other Joy Global stock awards granted on December 7, 2015. After the 1.5 times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the executive from subsequent settlements of restricted stock units, payments or distributions of performance awards, exercises of stock options and settlements of other stock awards (excluding, in each case, those granted before December 7, 2015 that are not similarly covered by this Stock Ownership Policy) as may be necessary at that time to satisfy the 1.5 times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock received in connection with equity awards granted on December 7, 2015 (A) until the ownership requirement has been met or (B) after the ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Performance Share Agreement entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT is entered into as of December 7, 2015, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee restricted stock units (the “Restricted Stock Units”) as of December 7, 2015, (the “Grant Date”). This grant constitutes an “other stock-based award” under Section 8 of the Plan. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan.

1. Vesting.
  - (a) Subject to the provisions of Paragraph 5(a) of this Agreement, the Restricted Stock Units will vest, become non-forfeitable and be settled as follows: one-third on December 7, 2016 (with fractional units rounded up to the next whole unit); one-third on December 7, 2017, (with fractional units rounded up to the next whole unit); and the remainder on December 7, 2018.
  - (b) Employee agrees to comply with the Company’s Senior Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to this award.
  - (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on November 15, 2016, then (1) the Employee shall be considered to have declined the grant of the Restricted Stock Units, (2) the Company’s grant of the Restricted Stock Units shall be deemed automatically rescinded and the Restricted Stock Units shall be null and void and (3) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.
2. Restriction Period. The Restriction Period with respect to each Restricted Stock Unit is the time between the Grant Date and the date such Restricted Stock Unit vests.
3. No Shareholder Rights Before Settlement. The Employee shall not be entitled to any rights or privileges of ownership of shares of Common Stock with respect to any Restricted Stock Unit unless and until a share of Common Stock is actually delivered to the Employee in settlement of such Restricted Stock Unit pursuant to this Agreement.

4. Dividends. On each payment date with respect to any dividend or distribution to holders of Common Stock with a record date occurring during a Restriction Period, the Employee will be credited with additional Restricted Stock Units (rounded to the nearest whole unit) having a value equal to the amount of the dividend or distribution that would have been payable with respect to the unvested Restricted Stock Units if they had been actual shares of Common Stock on such record date, based on the Fair Market Value of a share of Common Stock on the applicable payment date. Such additional Restricted Stock Units shall also be credited with additional Restricted Stock Units as further dividends or distributions are declared, and all such additional Restricted Stock Units shall be subject to the same restrictions and conditions as the Restricted Stock Units with respect to which they were credited.

5. Forfeiture and Settlement of Units.

- (a) If the Employee incurs a Termination of Employment for any reason, any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment shall be forfeited; *provided, however*, that if such Termination of Employment is by reason of the Employee's death or Disability, the Restricted Stock Units shall become non-forfeitable; and *provided further* that if such Termination of Employment is due to Retirement, the Committee shall have the discretion to determine as of the date of such Retirement that any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment due to Retirement shall become non-forfeitable. If the Restricted Stock Units become nonforfeitable on account of the Employee's death or Disability (provided that, on account of the Disability, the Employee is disabled within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder) (a "409A Disability"), the Restricted Stock Units shall be settled as soon as practicable (but no more than 30 days) after the Employee's death or the 409A Disability. If the Restricted Stock Units become nonforfeitable on account of Disability (other than a 409A Disability) or, in the discretion of the Committee, on account of Retirement, the Restricted Stock Units shall continue to vest and be settled in accordance with the schedule in Paragraph 1 of this Agreement. If, in the event of the Employee's death, the Employee fails to designate a beneficiary, or if the designated beneficiary of the Employee dies before the Employee dies or before the complete payment of the amounts payable under this Agreement, the amounts to be paid under this Agreement shall be paid to the legal representative or representatives of the estate of the last to die of the Employee and the beneficiary.
- (b) Unless earlier forfeited or settled pursuant to Paragraph 5(a) of this Agreement, each Restricted Stock Unit shall be settled at the end of the Restriction Period applicable to such Restricted Stock Unit. Each Restricted Stock Unit settled pursuant to this Paragraph 5 shall be settled by delivery of one share of Common Stock. Any fractional Restricted Stock Units shall be rounded to the nearest whole number.

6. Change in Control and Corporate Events .

- (a) Notwithstanding any other provision of this Agreement, if a Change in Control occurs while Restricted Stock Units are outstanding: (i) if the Restricted Stock Units are not assumed or substituted by the successor to the Company (or an affiliate), the Restricted Stock Units shall be converted to a non-forfeitable right to receive an amount in cash equal to the Fair Market Value of one share of Common Stock on the date of the Change in Control times the number of Restricted Stock Units, accumulated with interest from the date of the Change in Control until the payment date at a rate of 120 percent of the Federal mid-term rate (as in effect under section 1274 of the Code for the month in which the Change in Control occurs); and (ii) if the Restricted Stock Units are assumed or substituted by the successor to the Company (or an affiliate), the Award shall become non-forfeitable in accordance with Paragraphs 1 and 5, except that if, after the Change in Control, the Employee incurs a Termination of Employment by the Company without Cause while Restricted Stock Units are outstanding, the Restricted Stock Units shall become non-forfeitable. In each case, the Award, to the extent non-forfeitable, shall be settled or paid at the time specified in Paragraphs 1 and 5 of this Agreement, unless the Company elects to terminate this Award (to the extent permitted by section 409A of the Code).
- (b) In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Restricted Stock Units subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however* , that the number of Restricted Stock Units subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, or separation, or any partial or complete liquidation of the Company, the number and kind of Restricted Stock Units subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; provided, however, that the number of Restricted Stock Units subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

7. Event of Restatement .

- (a) If the Company restates any previously issued financial statements and such restatement is required as a result of the Company's material noncompliance with any applicable financial reporting requirement under the federal securities laws:

- (i) the Employee shall pay to the Company any gain the Employee received in connection with the award under this Agreement to the extent, determined by the Board or Committee, that the Employee would have received less gain based upon the restated financial results, and “gain” for this purpose shall include the proceeds of any sale of stock of the Company, after the award has been settled; and
  - (ii) the amount of the award under this Agreement shall be reduced to the extent, determined by the Board or Committee, such amount would have been lower based upon the restated financial results.
- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including, to the extent permitted by law, seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement as described in this Paragraph 7 shall be final and conclusive. This Paragraph 7 does not affect the Company’s ability to pursue any and all available legal rights and remedies under governing law.

8. Nontransferability. Restricted Stock Units granted under this Agreement are not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Restricted Stock Units made, or any attachment, execution, garnishment, or lien issued against or placed upon the Restricted Stock Units, except as provided in the Plan, shall be void.

9. Administration. This Agreement and the rights of the Employee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee.

10. Taxes and Withholdings. No later than the applicable date of settlement of the Restricted Stock Units, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local, and applicable non-U.S. taxes, of any kind required by law to be withheld upon the settlement of such Restricted Stock Units, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the settlement of such Restricted Stock Units.

11. Confidential Information; Noncompetition; Nonsolicitation. Nothing in this Agreement limits the Company's or its Affiliates' rights with respect to the protection of trade secrets, confidential information, or customer or employee relationships as may be provided under law or under any other policy, code of ethics, employee handbook, or agreement between the Company or its Affiliates and the Employee. Instead, the covenants below shall supplement and be independent of any such rights. Each of the covenants below protects separate interests and is to be interpreted and applied independently of each other as well as any other covenant contained in this Agreement.

(a) Employee Acknowledgments.

- (i) The Employee acknowledges that he or she will receive Confidential Information (as defined in Paragraph 11(b) below) in connection with his or her employment. The Employee also acknowledges that his or her employment may place him or her in contact, and in a position of trust, with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such Confidential Information and customer relationships are of substantial value to the Company and its Affiliates, that this award of the Restricted Stock Units is designed to induce the Company and its Affiliates to share Confidential Information with the Employee and to further create incentives for the Employee to develop goodwill through customer relationships, and that it is reasonable for the Company to seek to prevent the Employee from giving competitors unfair access to Confidential Information and customer relationships.
- (ii) The Employee acknowledges that the Company and its Affiliates have multi-national operations and competitors.

- (b) Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that is not public knowledge ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and examples of such Confidential Information include, without limitation: product design information; product specifications and tolerances; manufacturing processes and methods; information regarding new product or new feature development; information regarding how to satisfy particular customer needs, expectations, and applications; information regarding strategic or tactical planning; information regarding pending or planned competitive bids; information regarding costs, margins, and methods of estimating; and information regarding key employees.

- (c) Use and Disclosure of Confidential Information. Except on behalf of the Company or its Affiliates as may be required to discharge the Employee's duties or with the prior written consent by the President or an Executive Vice President of the Company or as otherwise required by law or legal process, the Employee shall not use, communicate, divulge, or disseminate Confidential Information at any time during or after the Employee's employment for so long as such use or disclosure of the Confidential Information would reasonably be likely to result in a competitive disadvantage to the Company or its Affiliates.
- (d) Company Property. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company, or the applicable Affiliate, without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.
- (e) Noncompetition. Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not, within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, work for, consult with, or advise, directly or indirectly, as an employee, consultant, owner, partner, member, director, or officer, or make passive investments of more than three percent of the equity in, or otherwise engage in business with, any of the following, in a capacity where the Employee's use of the goodwill described above in Paragraph 11(a)(i) or knowledge of trade secrets or other Confidential Information of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage: (i) the companies set forth on Exhibit 2 which are acknowledged by the Employee and the Company to be competitors of the Company or its Affiliates, or any of their successors or assigns; or, (ii) an entity controlled by, controlling or under common control with any company described in clause (i). Exhibit 2 is attached to and forms a part of this Agreement.
- (f) Nonsolicitation of Personnel. Prior to and through a two-year period following the Termination of Employment date, the Employee will not, directly or indirectly (i) solicit or induce for employment, or engagement as an independent contractor, on behalf of any individual or organization, or (ii) be involved in any way on behalf of any individual or organization in the hiring process of, any Company Employee. For purposes of this Paragraph 11(f), a "Company Employee" is any

person (other than any personal assistant hired to work directly for the Employee) who, at the time of such activity, is employed, or engaged as an independent contractor, by the Company or any of its Affiliates or was so employed or engaged within the previous three months.

- (g) Nonsolicitation of Customers. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind, if (i) such person or entity is a customer of the Company or any of its Affiliates, or was a customer of the Company or any of its Affiliates within one year prior to the Termination of Employment date, and (ii) (A) the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, or (B) the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (h) Noninterference with Business Relationships. Prior to and through a one-year period following the Termination of Employment date, the Employee will not, directly or indirectly, disrupt, or attempt to interfere with or disrupt, the business relationship between the Company or any of its Affiliates and any of its customers, suppliers, or employees.
- (i) Expiration of the Restricted Stock Units. In the event of a breach of any of the Employee's covenants under this Paragraph 11, the Restricted Stock Units shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 11(j), at law, or otherwise.
- (j) Remedies. In the event of a breach of any of the Employee's covenants under this Paragraph 11, the Employee shall return to the Company any Common Stock obtained under this Agreement in exchange for the purchase price (if any) the Employee paid for such Common Stock. If the Employee has sold, transferred, or otherwise disposed of Common Stock obtained under this Agreement, the Company shall be entitled to receive from the Employee a cash payment equal to the fair market value of the Common Stock on the date of sale, transfer, or other disposition minus the purchase price (if any) paid by the Employee. Furthermore, in the event of a breach of any of the Employee's covenants under this Paragraph 11, it is understood and agreed that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies that may be available. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in

Paragraphs 11(a), (b), (c), (d), (e), (f), (g), and (h) of this Agreement independently relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any of its Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations, or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (k) Jurisdiction. With respect to all disputes under this Paragraph 11, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in the state or jurisdiction where the Employee's primary office is located (or, if litigation is brought after the Termination of Employment date, where the Employee's most recent primary office was located), except if such location is outside of the United States, the Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts in Delaware. The parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 11.
- (l) Additional Acknowledgements. The Employee acknowledges that:
- (i) the limitations as to time, geographical area, and scope of activity to be restrained by Paragraph 11 are reasonable and acceptable to the Employee, and do not impose any greater restraint than is reasonably necessary to protect the trade secrets and other Confidential Information, goodwill, and other legitimate business interests of the Company and its Affiliates; and
  - (ii) the performance by the Employee of the covenants and agreements contained herein, and the enforcement by the Company of the provisions contained herein, will cause no undue hardship on the Employee.

12. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8510

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 12. Notice and communications shall be effective when actually received by the addressee.

13. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

14. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws.

15. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

16. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

17. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

18. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. However, the Company may terminate this award as set forth in Section 6(a).

19. Section 409A of the Code. This Agreement and the Plan are intended, and shall be construed, to comply with the requirements of Section 409A of the Code. However, neither the Agreement nor the Plan transfers to the Company or any entity or other individual any tax or penalty that is the responsibility of the Employee. If any distribution or settlement of a Restricted Stock Unit pursuant to the terms of this Agreement or the Plan would subject the Employee to tax under Section 409A of the Code, the Company shall modify this Agreement and/or the Plan (in each case, without the consent of the Employee) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Employee.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Third-party Beneficiaries. Each of the Company's Affiliates is considered an intended third-party beneficiary under this Agreement. The provisions of this Agreement extend to these third-party beneficiaries.

22. Miscellaneous.

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) Nothing in this Agreement, or any other agreement with, or policy of the Company or its Affiliates, is intended or interpreted to prohibit the Employee from reporting possible violations of federal law or regulation to any government agency or entity or making any disclosures that are protected under the whistleblower provisions of federal law or regulation or otherwise cooperating with any government inquiry, in each case without advance approval by or prior, contemporaneous or subsequent notice to anyone in the Company or its Affiliates.
- (c) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

- (d) The Employee acknowledges and agrees that the Company and its Affiliates will process and retain certain personal data for the purposes of calculating awards, monitoring performance conditions, and otherwise administering the Plan and awards made under it, including but not limited to pay data relating to the Employee, the Employee's address and social security number, job title and employment dates. The Employee hereby consents to such processing, and to the sharing of such personal data with the Company, its Affiliates, advisers, regulators and tax authorities, where appropriate, both within and outside the European Economic Area.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.



Sean D. Major  
Executive Vice President, General Counsel  
and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**SENIOR LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Senior Leadership Team shall be subject to the following minimum ownership requirements for shares of the Company's common stock:

- Each executive who is a member of the Senior Leadership Team is expected to acquire and maintain common stock in the Company equal to 1.5 times his or her annual salary. Until the 1.5 times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon (A) any settlement of Joy Global restricted stock units granted on December 7, 2015, (B) any payment or distribution in respect of Joy Global performance awards granted on December 7, 2015, (C) any exercise of Joy Global stock options granted on December 7, 2015, or (D) any settlement of other Joy Global stock awards granted on December 7, 2015. After the 1.5 times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the executive from subsequent settlements of restricted stock units, payments or distributions of performance awards, exercises of stock options and settlements of other stock awards (excluding, in each case, those granted before December 7, 2015 that are not similarly covered by this Stock Ownership Policy) as may be necessary at that time to satisfy the 1.5 times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock received in connection with equity awards granted on December 7, 2015 (A) until the ownership requirement has been met or (B) after the ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Restricted Stock Unit Award Agreement, entered into as of December 7, 2015, between Joy Global Inc. and .

1. Atlas Copco AB
2. Caterpillar, Inc.
3. Eickhoff Corporation
4. Fletcher International or Fletcher Asset Management
5. Longwall Associates, Inc.
6. Sandvik AB
7. SANY Group Co. Ltd.
8. Taiyuan Heavy Industry Co., Ltd.
9. Zhengzhou Coal Mining Machinery Group, Ltd.

February 24, 2016

Joy Global Inc.  
100 East Wisconsin Avenue  
Suite 2780  
Milwaukee, WI 53201-0554  
Attention: James M. Sullivan

Bank of America, N.A.  
Agency Management  
135 S LaSalle St  
Mail Code: IL4-135-09-61  
Chicago, IL 60603  
Attention: Angela Larkin

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement dated as of July 29, 2014 (as amended, modified, supplemented or extended from time to time, the “Credit Agreement”) among Joy Global Inc., as Borrower, certain of its domestic subsidiaries, as guarantors, the Lenders named therein and Bank of America, N.A., as Administrative Agent

Pursuant to Section 11.01(v) of the Credit Agreement, each of Joy Global Inc., as Borrower and Bank of America, N.A., as Administrative Agent, by its signature set forth below hereby acknowledges and agrees to the amendment of the Credit Agreement set forth in the letter agreement attached hereto as Exhibit A and that such amendment shall be effective on and as of February 19, 2016.

BANK OF AMERICA, N.A.,  
as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

JOY GLOBAL INC.

By: \_\_\_\_\_  
Name:  
Title:

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February 12, 2016

To each of the Lenders party to the  
Credit Agreement described below

Re: Amended and Restated Credit Agreement dated as of July 29, 2014 among Joy Global Inc., a Delaware corporation, the Guarantors party thereto, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”). Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

Ladies and Gentlemen:

Pursuant to the Third Amendment to Credit Agreement dated as of December 14, 2015, a new clause (vi) was added to the definition of “Consolidated EBITDA” in Section 1.01 of the Credit Agreement for cash restructuring charges. The Borrower and the Administrative Agent believe that it was the intent of all parties that the basket limitation contained in such new clause (vi) should be calculated on a rolling four quarter basis, instead of on the basis of any fiscal year as presently provided for in the Credit Agreement. Therefore, the Borrower has requested that the Lenders agree that such clause (vi) in the definition of “Consolidated EBITDA” be revised as follows:

*and (vi) cash restructuring charges in an aggregate amount not to exceed \$40,000,000 in any ~~four~~ fiscal ~~year~~-quarter period*

The Administrative Agent supports the foregoing request of the Borrower and hereby requests your consent to the foregoing. However, because the Administrative Agent agrees that it was the intent of all parties to calculate the basket limitation in clause (vi) of the definition of “Consolidated EBITDA” on a rolling four quarter basis, the Administrative Agent has decided not to seek a formal consent or amendment with respect thereto. Therefore, unless you contact Angela Larkin (angela.larkin@baml.com) at Bank of America Merrill Lynch to object in writing by 5 p.m. Eastern time on February 19, 2016 to the amendment described above, your consent to the foregoing will be deemed to have been delivered as of February 19, 2016 and clause (vi) of the definition of “Consolidated EBITDA” in Section 1.01 of the Credit Agreement shall be automatically amended to read as set forth above. Any questions of a legal nature may be addressed to Meredith Reedy (meredithreedy@mvalaw.com) of Moore & Van Allen PLLC and any questions of a business nature may be addressed to Christopher Wozniak (christopher.m.wozniak@baml.com) of Bank of America Merrill Lynch. Thank you for your attention to this matter.

BANK OF AMERICA, N.A.,  
as Administrative Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

February 24, 2016

Joy Global Inc.  
100 East Wisconsin Avenue  
Suite 2780  
Milwaukee, WI 53201-0554  
Attention: James M. Sullivan

Bank of America, N.A.  
Agency Management  
135 S LaSalle St  
Mail Code: IL4-135-09-61  
Chicago, IL 60603  
Attention: Angela Larkin

Ladies and Gentlemen:

Reference is made to the Second Amended and Restated Credit Agreement dated as of July 29, 2014 (as amended, modified, supplemented or extended from time to time, the “Credit Agreement”) among Joy Global Inc., as Borrower, certain of its domestic subsidiaries, as guarantors, the Lenders named therein and Bank of America, N.A., as Administrative Agent

Pursuant to Section 11.01(v) of the Credit Agreement, each of Joy Global Inc., as Borrower and Bank of America, N.A., as Administrative Agent, by its signature set forth below hereby acknowledges and agrees to the amendment of the Credit Agreement set forth in the letter agreement attached hereto as Exhibit A and that such amendment shall be effective on and as of February 19, 2016.

BANK OF AMERICA, N.A.,  
as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

JOY GLOBAL INC.

By: \_\_\_\_\_  
Name:  
Title:

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February 12, 2016

To each of the Lenders party to the  
Credit Agreement described below

Re: Second Amended and Restated Credit Agreement dated as of July 29, 2014 among Joy Global Inc., a Delaware corporation, the Guarantors party thereto, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, a Swing Line Lender and an L/C Issuer and JPMorgan Chase Bank, N.A., as a Swing Line Lender and an L/C Issuer (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

Ladies and Gentlemen:

Pursuant to the Third Amendment to Credit Agreement dated as of December 14, 2015, a new clause (vi) was added to the definition of "Consolidated EBITDA" in Section 1.01 of the Credit Agreement for cash restructuring charges. The Borrower and the Administrative Agent believe that it was the intent of all parties that the basket limitation contained in such new clause (vi) should be calculated on a rolling four quarter basis, instead of on the basis of any fiscal year as presently provided for in the Credit Agreement. Therefore, the Borrower has requested that the Lenders agree that such clause (vi) in the definition of "Consolidated EBITDA" be revised as follows:

*and (vi) cash restructuring charges in an aggregate amount not to exceed \$40,000,000 in any four fiscal ~~year~~ quarter period*

The Administrative Agent supports the foregoing request of the Borrower and hereby requests your consent to the foregoing. However, because the Administrative Agent agrees that it was the intent of all parties to calculate the basket limitation in clause (vi) of the definition of "Consolidated EBITDA" on a rolling four quarter basis, the Administrative Agent has decided not to seek a formal consent or amendment with respect thereto. Therefore, unless you contact Angela Larkin (angela.larkin@baml.com) at Bank of America Merrill Lynch to object in writing by 5 p.m. Eastern time on February 19, 2016 to the amendment described above, your consent to the foregoing will be deemed to have been delivered as of February 19, 2016 and clause (vi) of the definition of "Consolidated EBITDA" in Section 1.01 of the Credit Agreement shall be automatically amended to read as set forth above. Any questions of a legal nature may be addressed to Meredith Reedy (meredithreedy@mvalaw.com) of Moore & Van Allen PLLC and any questions of a business nature may be addressed to Christopher Wozniak (christopher.m.wozniak@baml.com) of Bank of America Merrill Lynch. Thank you for your attention to this matter.

BANK OF AMERICA, N.A.,  
as Administrative Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## CERTIFICATIONS

I, Edward L. Doheny II, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Joy Global Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2016

/s/ Edward L. Doheny II

Edward L. Doheny II

President and Chief Executive Officer

## CERTIFICATIONS

I, James M. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Joy Global Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2016

/s/ James M. Sullivan

James M. Sullivan  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Joy Global Inc. (the “registrant”) on Form 10-Q for the quarter ended January 29, 2016 , as filed with the Securities and Exchange Commission on the date hereof (the “report”), we, Edward L. Doheny II and James M. Sullivan, Chief Executive Officer and Chief Financial Officer, respectively, of the registrant, certify, pursuant to 18 U.S.C. § 1350, that to our knowledge:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: March 4, 2016

/s/ Edward L. Doheny II

Edward L. Doheny II

President and Chief Executive Officer

/s/ James M. Sullivan

James M. Sullivan

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)