

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See attached.

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Multiple horizontal lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Patrick R. Anderson Date ▶ 10/16/2017
Print your name ▶ Patrick R. Anderson Title ▶ EVP & CFO

Paid Preparer Use Only

Print/Type preparer's name <u>Derek Krozek</u>	Preparer's signature <u>[Signature]</u>	Date <u>10/16/2017</u>	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶ <u>Deloitte Tax LLP</u>			Firm's EIN ▶ <u>86-1065772</u>	
Firm's address ▶ <u>111 South Wacker Drive, Chicago, IL 60606</u>			Phone no. <u>312 486 1000</u>	

A.M. Castle & Co.

FEIN 36-0879160

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

Debt Instrument: Second Lien Claims

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any shareholder's or note holder's specific circumstances. Shareholders and note holders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Debt Instrument: Second Lien Claims

Form 8937, Part II, Line 14

On June 18, 2017, A.M. Castle & Co. (the "Company") and certain subsidiaries (collectively, the "Debtors"), filed the Debtors' Prepackaged Joint Chapter 11 Plan of Reorganization (the "Initial Plan") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

On August 2, 2017 the Bankruptcy Court issued an order confirming the amended prepackaged joint plan of reorganization of the Company dated July 25, 2017 (as amended and supplemented, the "Amended Plan"), pursuant to chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). On August 31, 2017 (the "Effective Date"), the Amended Plan became effective pursuant to its terms and the Debtors emerged from their chapter 11 cases. Unless otherwise defined, all capitalized terms are used as defined in the Amended Plan.

Under the Amended Plan, each holder of Second Lien Claims received their pro-rata share of:

- Cash
- New Notes in an aggregate principal amount of \$111.875 million; and
- 65% of the New Common Stock of Company, without giving effect to the conversion of the New Notes.

Cumulatively defined as the "Transaction."

For more information regarding the Transaction, please see the Plan, as amended, and the disclosure statement filed with the Bankruptcy Court, available at <http://www.castlemetals.com>.

Form 8937, Part II, Line 15

Cash paid in connection with the Transaction represents previously accrued but unpaid interest and will be treated as the payment of accrued but unpaid interest.

To the extent that the Second Lien Claims constituted "securities" for purposes of the rules providing for tax-free recapitalizations ("Tax Securities") and the New Notes constitute Tax Securities, each holder's aggregate tax basis in the New Notes and New Common Stock will generally equal the holder's aggregate tax basis in the Second Lien Claims that were surrendered in the Transaction.

To the extent that the Second Lien Claims do not constitute Tax Securities, each holder of Second Lien Claims will recognize gain or loss upon the receipt of the New Common Stock and New Notes exchanged therefor. In such case, each holder's tax basis in the New Common Stock would equal the fair market value of such stock and each holder's tax basis in the New Notes would equal the issue price of such notes (which serves as fair market value for this purpose).

To the extent the Second Lien Claims constituted Tax Securities, but the New Notes do not constitute Tax Securities, the New Notes would be treated as "boot" in a recapitalization. A Second Lien Claim holder's tax basis in the New Common Stock would equal the tax basis in such holder's Second Lien Claims, increased by any gain recognized and decreased by boot, and the holder's tax basis in the New Notes would equal fair market value.

Form 8937, Part II, Line 16

To the extent that the Second Lien Claims constituted Tax Securities and the New Notes constitute Tax Securities, a holder's aggregate tax basis in the New Common Stock and New Notes will generally equal such holder's aggregate tax basis in the Second Lien Claims that were surrendered in the Transaction. Each holder's tax basis in the surrendered Second Lien Claims is allocated between the New Notes and New Common Stock received in proportion to the relative fair market value of the New Notes and New Common Stock. The aggregate tax basis allocated to the New Common Stock will then be divided by the number of shares of New Common Stock received to determine the tax basis of each share of New Common Stock.

To the extent that the Second Lien Claims did not constitute Tax Securities, the tax basis of the New Common Stock will equal fair market value and the tax basis of the New Notes will equal the issue price of such notes (which serves as the fair market value). The aggregate tax basis allocated to the New Common Stock will then be divided by the number of shares of New Common Stock received to determine the tax basis of each

share of New Common Stock.

To the extent that the Second Lien Claims constituted Tax Securities, but the New Notes do not constitute Tax Securities, the New Notes would be treated as "boot" in a recapitalization. A Second Lien Claim holder's tax basis in the New Common Stock would equal such holder's tax basis in the Second Lien Claims increased by any gain recognized and decreased by any boot, and the holder's tax basis in the New Notes would be fair market value of such notes. The aggregate tax basis allocated to the New Common Stock will then be divided by the number of shares of New Common Stock received to determine the tax basis of each share of New Common Stock.

Holders of the Second Lien Claims should consult their tax advisors to determine the tax consequences of the Transaction to them.

Form 8937, Part II, Line 17

Sections 354, 356, 358, 1001 and 1012.

Form 8937, Part II, Line 18

The Transaction generally should not result in a recognizable loss to holders to the extent the Second Lien Claims constitute Tax Securities. To the extent the Second Lien Claims are not Tax Securities, the Transaction may result in a recognizable loss to holders to the extent a holder's tax basis in the Second Lien Claims exceeds the fair market value of the New Common Stock and the New Notes.