



**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 resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

Multiple horizontal lines for providing other information necessary to implement 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 ▶ *Edward M. Quinn*

Date ▶ 3/25/21

Print your name ▶ Edward M. Quinn

Title ▶ VP, Controller & Chief Accounting Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

**A.M. Castle & Co.**  
**FEIN 36-0879160**  
**Attachment to Form 8937**

**Securities: Common Stock (“CTAM”) of A.M. Castle & Co. (CUSIP 148411309 prior to the Transaction (as defined below); CUSIP 148411408 after the Transaction).**

**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. CTAM stockholders 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.**

**Form 8937, Part II, Line 14**

On December 29, 2020, A.M. Castle & Co. (“CTAM”) effected a one-for-ten reverse stock split (the “Reverse Split”), which changed the par value from \$0.01 to \$0.10. Immediate after the Reverse Split an Amendment to the Articles was filed, which changed the par value from \$0.10 back to \$0.01. Pursuant to the Reverse Split, every ten shares of CTAM common stock were converted into one share of CTAM common stock, with cash paid in lieu of fractional shares in an amount equal to \$0.70 per pre-split share with respect to which a fractional share would be issued (the “Cash Payment,” and together with the Reverse Split and the Amendment to the Articles, the “Transaction”).

**Form 8937, Part II, Line 15**

A stockholder that did not receive the Cash Payment as a result of the Transaction, but continues to hold CTAM common stock directly immediately after the Transaction, generally will not recognize any gain or loss for U.S. federal income tax purposes. The aggregate adjusted tax basis of the shares held by such stockholder immediately after the Transaction generally will equal the aggregate adjusted tax basis of the shares held immediately prior to the Transaction, and the holding period of the shares will generally be the same as immediately prior to the Transaction.

A stockholder that received the Cash Payment for a fractional share of CTAM common stock as a result of the Transaction and did not continue to hold CTAM common stock directly, or indirectly under certain constructive ownership rules, immediately after the Transaction, generally will recognize capital gain or loss, for U.S. federal income tax purposes, equal to the difference between the cash received for the fractional share and the adjusted tax basis in such share.

A stockholder that received the Cash Payment for a fractional share as a result of the Transaction, but who continues to hold our shares directly immediately after the Transaction or is treated as a person who continues to hold our shares immediately after the Transaction by virtue of certain constructive ownership rules, generally will recognize capital gain or loss in the same manner as set forth in the previous paragraph, so long as the receipt of cash either (1) is “not essentially equivalent to a dividend,” or (2) constitutes a “substantially disproportionate redemption of stock.” The receipt of cash is “not essentially equivalent to a dividend” if there is a reduction in the stockholder’s proportionate interest in us resulting from the Transaction (taking into account for this purpose the shares deemed owned by the stockholder under certain constructive ownership rules), and such reduction is considered a “meaningful reduction” given the stockholder’s particular facts and circumstances. The IRS has ruled that a small reduction by a minority stockholder whose relative share interest is minimal and who exercises no control over the affairs of the corporation will generally satisfy this test. The receipt of a cash payment in the Transaction generally will be a “substantially disproportionate redemption of stock” if (1) immediately after the Transaction, the stockholder owns or is deemed to own (under certain constructive ownership rules) less than 50% of the total combined voting power of all classes of our shares entitled to vote, and (2) the percentage of our voting shares owned or deemed owned (under certain constructive ownership rules) by the stockholder immediately after the Transaction is less than 80% of the percentage of shares of voting stock owned or deemed owned by the stockholder immediately before the Transaction.

If the receipt of the Cash Payment in exchange for a fractional share is not treated as resulting in a capital gain or loss under any of the above tests, such payment generally will constitute a distribution that will be treated first as dividend income to the extent paid out of our current or accumulated earnings and profits, and then as a tax-free

return of capital to the extent of the stockholder's adjusted tax basis in our common stock, with any remaining amount being treated as capital gain.

Capital gain or loss recognized in connection with the Transaction will be long-term if the stockholder's holding period with respect to the fractional share surrendered is more than one year at the time of the Transaction. Capital gain or loss will be calculated separately with respect to each block of shares (that is, shares acquired at the same price per share in a single transaction) exchanged in the Transaction. The deductibility of capital losses is subject to various limitations. In the case of a non-corporate stockholder, long-term capital gain and dividend income should generally be subject to U.S. federal income tax at more favorable rates than short-term capital gain or ordinary income.

CTAM stockholders should consult their own tax advisors regarding the appropriate method for determining their specific tax treatment of the Transaction (including, but not limited to, the computation of gain or loss and tax basis).

**Form 8937, Part II, Line 16**

The aggregate tax basis of the shares of CTAM common stock received by a CTAM stockholder in the Transaction (including fractional shares of CTAM common stock settled in cash) should be equal to the aggregate tax basis of the shares of CTAM common stock exchanged therefor. CTAM stockholders who acquired shares of CTAM common stock at different times or at different prices must allocate such adjusted tax basis with respect to each block of CTAM common stock surrendered.

CTAM stockholders should consult their own tax advisors regarding the appropriate method for determining their specific tax treatment of the Transaction (including, but not limited to, the computation of gain or loss and tax basis).

**Form 8937, Part II, Line 17**

Sections 302, 354, 358(a), 361, 368(a), 1001, 1221 and 1223.

**Form 8937, Part II, Line 18**

A stockholder that did not receive the Cash Payment as a result of the Transaction generally cannot recognize any loss for U.S. federal income tax purposes. A stockholder that received the Cash Payment as a result of the Transaction generally will recognize gain or loss or be treated as having received a distribution for U.S. federal income tax purposes.

CTAM stockholders should consult their own tax advisors regarding the appropriate method for determining their specific tax treatment of the Transaction (including, but not limited to, the computation of gain or loss and tax basis).

**Form 8937, Part II, Line 19**

The basis adjustment resulting from the Transaction are taken into account in the tax year of a CTAM stockholder during which the Transaction occurred (e.g., 2020 for calendar year taxpayers).

CTAM stockholders should consult their own tax advisors regarding the appropriate method for determining their specific tax treatment of the Transaction (including, but not limited to, the computation of gain or loss and tax basis).