

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarterly Period Ended June 30, 2017

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: 1-5415

A. M. Castle & Co.
(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation of organization)

1420 Kensington Road, Suite 220, Oak Brook, Illinois

(Address of principal executive offices)

36-0879160

(I.R.S. Employer Identification No.)

60523

(Zip Code)

Registrant's telephone, including area code **(847) 455-7111**

(Former name, former address and former fiscal year, if changed since last report) **None**

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 (or for such shorter period that the registrant was required to file such reports), 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 Web site, 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 for 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares outstanding of the registrant's common stock as of August 4, 2017 was 32,486,039 shares.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Amounts in thousands, except par value and per share data

**A.M. Castle & Co. (Debtor-In-Possession)
Condensed Consolidated Balance Sheets**

	As of	
	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,220	\$ 35,624
Accounts receivable, less allowances of \$1,766 and \$1,945, respectively	83,592	64,385
Inventories	149,457	146,603
Prepaid expenses and other current assets	16,735	10,141
Income tax receivable	154	433
Total current assets	261,158	257,186
Intangible assets, net	1,041	4,101
Prepaid pension cost	10,293	8,501
Deferred income taxes	491	381
Other noncurrent assets	8,643	9,449
Property, plant and equipment:		
Land	2,072	2,070
Buildings	37,430	37,341
Machinery and equipment	129,734	125,836
Property, plant and equipment, at cost	169,236	165,247
Accumulated depreciation	(121,257)	(115,537)
Property, plant and equipment, net	47,979	49,710
Total assets	\$ 329,605	\$ 329,328
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 43,992	\$ 33,083
Accrued and other current liabilities	15,593	19,854
Income tax payable	365	209
Current portion of long-term debt	105,861	137
Total current liabilities	165,811	53,283
Long-term debt, less current portion	—	286,459
Build-to-suit liability	12,749	12,305
Other noncurrent liabilities	5,353	5,978
Pension and postretirement benefit obligations	6,243	6,430
Liabilities subject to compromise	211,363	—
Commitments and contingencies (Note 14)		
Stockholders' deficit:		
Preferred stock, \$0.01 par value—9,988 shares authorized (including 400 Series B Junior Preferred, \$0.00 par value); no shares issued and outstanding at June 30, 2017 and December 31, 2016	—	—
Common stock, \$0.01 par value—60,000 shares authorized; 32,768 shares issued and 32,486 outstanding at June 30, 2017 and 32,768 shares issued and 32,566 outstanding at December 31, 2016	327	327
Additional paid-in capital	245,357	244,825
Accumulated deficit	(289,324)	(253,291)
Accumulated other comprehensive loss	(27,196)	(25,939)
Treasury stock, at cost—282 shares at June 30, 2017 and 202 shares at December 31, 2016	(1,078)	(1,049)
Total stockholders' deficit	(71,914)	(35,127)
Total liabilities and stockholders' deficit	\$ 329,605	\$ 329,328

The accompanying notes are an integral part of these financial statements.

A.M. Castle & Co. (Debtor-In-Possession)
Condensed Consolidated Statements of Operations
and Comprehensive Loss

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Net sales	\$ 136,482	\$ 130,692	\$ 272,408	\$ 294,540
Costs and expenses:				
Cost of materials (exclusive of depreciation and amortization)	102,052	97,644	203,089	231,402
Warehouse, processing and delivery expense	19,318	20,808	38,037	44,211
Sales, general and administrative expense	14,605	17,229	29,091	34,666
Restructuring expense	40	2,044	168	13,762
Depreciation and amortization expense	3,895	4,260	7,759	8,653
Total costs and expenses	139,910	141,985	278,144	332,694
Operating loss	(3,428)	(11,293)	(5,736)	(38,154)
Interest expense, net	10,064	9,599	20,800	19,968
Financial restructuring expense	5,723	—	6,600	—
Unrealized (gain) loss on embedded debt conversion option	—	(1,284)	146	(1,284)
Debt restructuring (gain) loss, net	—	(513)	—	6,562
Other (income) expense, net	(2,247)	(2,808)	(2,759)	(1,663)
Reorganization items, net	5,502	—	5,502	—
Loss from continuing operations before income taxes and equity in losses of joint venture	(22,470)	(16,287)	(36,025)	(61,737)
Income tax expense	71	531	8	196
Loss from continuing operations before equity in losses of joint venture	(22,541)	(16,818)	(36,033)	(61,933)
Equity in losses of joint venture	—	(4,452)	—	(4,141)
Loss from continuing operations	(22,541)	(21,270)	(36,033)	(66,074)
Income from discontinued operations, net of income taxes	—	—	—	7,934
Net loss	<u>\$ (22,541)</u>	<u>\$ (21,270)</u>	<u>\$ (36,033)</u>	<u>\$ (58,140)</u>
Basic and diluted earnings (loss) per common share:				
Continuing operations	\$ (0.70)	\$ (0.77)	\$ (1.12)	\$ (2.57)
Discontinued operations	—	—	—	0.31
Net basic and diluted loss per common share	<u>\$ (0.70)</u>	<u>\$ (0.77)</u>	<u>\$ (1.12)</u>	<u>\$ (2.26)</u>
Comprehensive loss:				
Net loss	\$ (22,541)	\$ (21,270)	\$ (36,033)	\$ (58,140)
Change in unrecognized pension and postretirement benefit costs, net of tax	214	456	428	912
Foreign currency translation adjustments, net of tax	(685)	(4,075)	(1,685)	(3,464)
Comprehensive loss	<u>\$ (23,012)</u>	<u>\$ (24,889)</u>	<u>\$ (37,290)</u>	<u>\$ (60,692)</u>

The accompanying notes are an integral part of these financial statements.

A.M. Castle & Co. (Debtor-In-Possession)
Condensed Consolidated Statements of Cash Flows

	Six Months Ended	
	June 30,	
	2017	2016
Operating activities:		
Net loss	\$ (36,033)	\$ (58,140)
Less: Income from discontinued operations, net of income taxes	—	7,934
Loss from continuing operations	(36,033)	(66,074)
Adjustments to reconcile loss from continuing operations to net cash used in operating activities of continuing operations:		
Depreciation and amortization	7,759	8,653
Amortization of deferred gain	(38)	(79)
Amortization of deferred financing costs and debt discount	3,056	3,633
Debt restructuring loss, net	—	6,562
Non-cash reorganization items, net	4,850	—
Loss from lease termination	—	4,452
Unrealized loss (gain) on embedded debt conversion option	146	(1,284)
Loss on sale of property, plant and equipment	7	1,650
Unrealized gain on commodity hedges	—	(598)
Unrealized foreign currency transaction gain	(3,153)	(88)
Equity in losses of joint venture	—	4,141
Share-based compensation expense	442	566
Deferred income taxes	(1,325)	—
Other, net	446	—
Changes in assets and liabilities:		
Accounts receivable	(16,729)	(6,118)
Inventories	487	26,729
Prepaid expenses and other current assets	(6,262)	(1,769)
Other noncurrent assets	1,533	(3,026)
Prepaid pension costs	(1,792)	(264)
Accounts payable	5,976	1,937
Income tax payable and receivable	433	51
Accrued and other current liabilities	7,200	498
Pension and postretirement benefit obligations and other noncurrent liabilities	(353)	1,201
Net cash used in operating activities of continuing operations	(33,350)	(19,227)
Net cash used in operating activities of discontinued operations	—	(5,219)
Net cash used in operating activities	(33,350)	(24,446)
Investing activities:		
Capital expenditures	(2,264)	(1,912)
Proceeds from sale of property, plant and equipment	47	2,836
Change in cash collateralization of letters of credit	246	—
Net cash (used in) from investing activities of continuing operations	(1,971)	924
Net cash from investing activities of discontinued operations	—	53,570
Net cash (used in) from investing activities	(1,971)	54,494
Financing activities:		
Proceeds from long-term debt	12,500	426,861
Repayments of long-term debt	(126)	(447,185)
Payments of debt restructuring costs	—	(8,677)
Payments of debt issue costs	(1,831)	—
Payments of build-to-suit liability	—	(237)
Net cash from (used in) financing activities	10,543	(29,238)
Effect of exchange rate changes on cash and cash equivalents	374	(55)

A.M. Castle & Co. (Debtor-In-Possession)
Condensed Consolidated Statements of Cash Flows

	Six Months Ended	
	June 30,	
	2017	2016
Net change in cash and cash equivalents	(24,404)	755
Cash and cash equivalents - beginning of period	35,624	11,100
Cash and cash equivalents - end of period	<u>\$ 11,220</u>	<u>\$ 11,855</u>

The accompanying notes are an integral part of these financial statements.

A. M. Castle & Co. (Debtor-In-Possession)
Notes to Condensed Consolidated Financial Statements
Unaudited - Amounts in thousands except per share data and percentages

(1) Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by A. M. Castle & Co. and subsidiaries (the "Company"), without audit, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), and accounting principles generally accepted in the United States of America ("GAAP"). The Condensed Consolidated Balance Sheet at December 31, 2016 is derived from the audited financial statements at that date. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. In the opinion of management, the unaudited statements included herein contain all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of financial results for the interim period. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. The 2017 interim results reported herein may not necessarily be indicative of the results of the Company's operations for the full year.

Consistent with its previously disclosed plans to restructure its financing obligations to reduce its long-term debt and cash interest obligations, on June 18, 2017, A. M. Castle & Co. and four of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware in Wilmington, Delaware (the "Bankruptcy Court"). The four subsidiaries in the chapter 11 cases are Keystone Tube Company, LLC, HY-Alloy Steels Company, Keystone Service, Inc. and Total Plastics, Inc. Also on June 18, 2017, the Debtors filed the Debtors' Prepackaged Joint Chapter 11 Plan of Reorganization with the Bankruptcy Court and on July 25, 2017, the Debtors filed the Debtors' Amended Prepackaged Joint Chapter 11 Plan of Reorganization (the "Plan") with the Bankruptcy Court.

The condensed consolidated financial statements included herein have been prepared on a going-concern basis of accounting, which contemplates continuity of operations, realization of assets, and satisfaction of liabilities and commitments in the normal course of business. The Plan was confirmed by the Bankruptcy Court on August 2, 2017, and it is expected to become effective and the Company plans to emerge from bankruptcy on or around August 31, 2017. Under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern", because the Company has not yet emerged from its chapter 11 bankruptcy proceedings and currently remains under the supervision of the Bankruptcy Court as of the date of the filing of the Quarterly Report on Form 10-Q, the Company is required to disclose that there is substantial doubt as to the Company's ability to continue as a going concern. However, the Company has continued operations in the normal course during the pendency of the chapter 11 proceedings, and expects to continue to do so. Upon the Plan becoming effective, which the Company believes is probable of occurring and will mitigate the liquidity risk raised by the chapter 11 proceedings, the Company will enter into a new asset-based revolving credit facility and issue new senior secured convertible notes, and the accelerated debt obligations of the Company will be satisfied pursuant to the terms of the Plan. As a result, management believes that the substantial doubt as to the Company's ability to continue as a going concern will be alleviated upon emergence from bankruptcy. Refer to *Note 2 - Bankruptcy Related Disclosures* and *Note 16 - Subsequent Events*.

(2) Bankruptcy Related Disclosures

Commitment Agreement and Restructuring Support Agreement

On June 16, 2017, the Debtors entered into a Commitment Agreement with certain of their creditors (the "Commitment Parties"). The Commitment Parties are the holders (or the investment advisors or managers for the holders) of term loans (the "Credit Facilities") made to the Company under a Credit and Guaranty Agreement dated December 8, 2016, as amended, by and among the Company, its subsidiaries, the lenders party thereto and Cantor Fitzgerald Securities, as Administrative and Collateral Agent (the "Credit Facilities Agreement").

The Commitment Agreement was entered into pursuant to a Restructuring Support Agreement dated April 6, 2017, as amended, by and among the Debtors and certain of their creditors, including the Commitment Parties (the "RSA"). The RSA provides for a consensual restructuring of the debt and equity of the Company, which the Company seeks to effect by means of the Plan.

Under the Commitment Agreement, the Commitment Parties have agreed, subject to the terms and conditions set forth in the Commitment Agreement, to purchase new notes to be issued by the reorganized Company under the Plan

(the "New Money Notes") for an aggregate purchase price of up to \$40,000 (the "New Money Amount"), subject to decrease based on the Company's Opening Liquidity (as defined in the Commitment Agreement) as of the effective date of the Plan (the "Effective Date"). The New Money Notes will be on the same terms as the new notes issued by the Company under the Plan to holders of certain other classes of claims.

The New Money Notes will be issued at a price of \$0.8 in cash for each \$1 in principal amount of New Money Notes. The Commitment Agreement provides for the payment by the Company, in consideration for the Commitment Parties' agreements in the Commitment Agreement, of a put option payment equal to \$2,000, which shall be payable in cash upon the earlier of the Effective Date or the termination of the Commitment Agreement in accordance with its terms. In addition, the Company has agreed to reimburse the reasonable fees and expenses incurred by the legal and financial advisors to the Commitment Parties.

Under the Commitment Agreement, the Debtors are required to meet the same milestones as set forth in the RSA, including that they obtain orders of the Bankruptcy Court confirming the Plan on or before the sixtieth day after filing voluntary chapter 11 petitions with the Bankruptcy Court. Further, the Commitment Agreement may be terminated if the Effective Date has not occurred by August 31, 2017, if the RSA is terminated, and upon other specified events.

Chapter 11 Bankruptcy Filing

On June 18, 2017 (the "Petition Date"), pursuant to the terms of the RSA, the Debtors commenced voluntary chapter 11 proceedings under the Bankruptcy Code with the Bankruptcy Court. The chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly under the caption *In re Keystone Tube Company, LLC., et al.* (Case No. 17-11330).

The filing of the bankruptcy petitions constituted a default or event of default that accelerated the Company's obligations under (i) the Credit Facilities Agreement, (ii) the Indenture dated February 8, 2016 (the "Senior Notes Indenture") and the 12.75% Senior Secured Notes due 2018 issued pursuant thereto (the "New Secured Notes"), and (iii) the Indenture dated May 19, 2016 (the "Convertible Notes Indenture") and the 5.25% Convertible Senior Secured Notes due 2019 issued pursuant thereto (the "New Convertible Notes"). The Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture provide that, as a result of the filing of the bankruptcy petitions, all outstanding indebtedness due thereunder shall be immediately due and payable. Any efforts to enforce such payment obligations under the Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture are automatically stayed as a result of the bankruptcy petitions, and the creditors' rights of enforcement in respect of the Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture are subject to the applicable provisions of the RSA and the Bankruptcy Code.

No trustee has been appointed in the chapter 11 cases, and the Debtors continue to operate their business as "debtors in possession" subject to the supervision and orders of the Bankruptcy Court in accordance with the Bankruptcy Code. It is expected that the Company will continue its operations without interruption during the pendency of the chapter 11 cases. To maintain and continue ordinary course operations without interruption, the Company received approval from the Bankruptcy Court of a variety of "first day" motions seeking certain relief and authorizing the Company to maintain its operations and pay trade claims in the ordinary course.

Proposed Plan of Reorganization and Confirmation of the Plan

Pursuant to the terms of the RSA, on the Petition Date, the Debtors filed the Plan with the Bankruptcy Court. The Plan implements a new senior secured exit financing facility and the issuance of the New Money Notes to refinance or exchange the existing first lien Credit Facilities and to provide working capital for the reorganized Company. The terms of the Plan provide that the new senior secured exit financing facility shall be in the form of an asset-based revolving credit facility (the "New ABL Facility") entered into on or before the Effective Date. On June 2, 2017, the Company entered into a commitment letter with PNC Bank, National Association ("PNC"), which contemplates a \$125,000 New ABL Facility to be entered into upon the Effective Date. If the Debtors are unable to enter into the New ABL Facility on or before the Effective Date, then, on the Effective Date, the Debtors shall enter into a new first lien senior secured term loan credit facility (the "New Roll-Up Facility").

The Plan also deleverages the Company's balance sheet by exchanging \$177,019 aggregate principal amount of New Secured Notes and \$22,323 aggregate principal amount of New Convertible Notes for an 80% share of new common stock in the reorganized Company, subject to dilution, and certain convertible new second lien secured notes in an aggregate principal amount of \$115,000 (the "Exchange Notes"), together with certain cash distributions. All of the existing equity interests in the Company will be extinguished, but holders of such equity interests will have the opportunity to receive a 20% share of new common stock in the reorganized Company, subject to dilution, as part of a settlement encompassed in the Plan.

Allowed general unsecured claims and claims that are unimpaired under the Plan will be paid in full in cash.

On August 2, 2017, the Bankruptcy Court entered an order (the "Confirmation Order") approving and confirming the Plan. The Plan is expected to become effective on or around August 31, 2017. Refer to *Note 16 - Subsequent Events*.

Financial Reporting Under Reorganization

The condensed consolidated financial statements included herein have been prepared to reflect the application of FASB Accounting Standards Codification ("ASC") No. 852, "Reorganizations". ASC No. 852 requires that the financial statements, for periods subsequent to the chapter 11 filing, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain expenses, gains and losses that are realized or incurred in the bankruptcy proceedings are recorded in reorganization items, net in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss. In addition, liabilities subject to compromise in the chapter 11 cases are distinguished from liabilities of non-filing entities, liabilities not expected to be compromised, and postpetition liabilities in the Company's Condensed Consolidated Balance Sheet at June 30, 2017. Liabilities subject to compromise are reported at the amounts expected to be allowed as claims by the Bankruptcy Court, although they may be settled for less.

Liabilities Subject to Compromise

The Company's Condensed Consolidated Balance Sheet includes amounts classified as liabilities subject to compromise ("LSTC"), which represent the Company's estimate of prepetition liabilities and other expected allowed claims to be addressed in the chapter 11 cases and may be subject to future adjustment as the chapter 11 cases proceed. The following table presents LSTC as reported in the Company's Condensed Consolidated Balance Sheet at June 30, 2017:

	<u>June 30, 2017</u>
Debt:	
12.75% Senior Secured Notes due December 15, 2018	\$ 177,019
5.25% Convertible Notes due December 30, 2019	22,323
Total debt	<u>199,342</u>
Accrued interest payable	12,021
Liabilities subject to compromise	<u>\$ 211,363</u>

Effective on the Petition Date, the Company discontinued recording interest expense on outstanding prepetition debt classified as LSTC. For both the three months and six months ended June 30, 2017, interest expense reported in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss does not include \$791 of contractual interest on prepetition debt classified as LSTC.

Reorganization Items, Net

Expenses and income directly associated with the chapter 11 proceedings are reported separately in reorganization items, net in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss. Reorganization items, net also include adjustments to reflect the carrying value of LSTC at their estimated allowed claim amounts, as such adjustments are determined. The following table summarizes the components of reorganization items, net for the three months and six months ended June 30, 2017:

	<u>Three Months and Six Months Ended June 30, 2017</u>
Legal and other professional fees	\$ 652
Write-off of unamortized debt issuance costs, discounts and embedded conversion option	4,850
Reorganization items, net	<u>\$ 5,502</u>

(3) New Accounting Standards

Standards Updates Adopted

Effective January 1, 2017, the Company adopted FASB ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting," which simplifies several aspects of the accounting for employee share-based payment transactions. Under ASU No. 2016-09, a company recognizes all excess tax benefits and tax deficiencies as income tax expense or benefit in the income statement, eliminating the notion of the additional paid-in capital pool and significantly reducing the complexity and cost of accounting for excess tax benefits and tax deficiencies. For interim reporting purposes, excess tax benefits and tax deficiencies are considered discrete items in the reporting period in which they occur and are not included in the estimate of an entity's annual effective tax rate. ASU No. 2016-09 further eliminates the requirement to defer recognition of an excess tax benefit until the benefit is realized through a reduction to taxes payable. The adoption of ASU No. 2016-09 did not have a material impact on the Company's consolidated financial statements.

Standards Updates Issued Not Yet Effective

In March 2017, the FASB issued ASU No. 2017-07, "Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." Under the new guidance, employers must present the service cost component of the net periodic benefit cost in the same income statement line item(s) as other employee compensation costs arising from services rendered during the period. In addition, only the service cost component will be eligible for capitalization in assets. The other components of net periodic benefit cost must be reported separately from the line item(s) that includes the service cost component and outside of any subtotal of operating income, if one is presented. Employers will have to disclose the line(s) used to present the other components of net periodic benefit cost, if the components are not presented separately in the income statement. The guidance on the income statement presentation of the components of net periodic benefit cost must be applied retrospectively, while the guidance limiting the capitalization of net periodic benefit cost in assets to the service cost component must be applied prospectively. For public business entities, the guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted as of the beginning of an annual period for which interim financial statements have not been issued. The Company is currently evaluating the impact the adoption of ASU No. 2017-07 will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments," to reduce the existing diversity in practice related to how certain cash receipts and cash payments are presented and classified in the statement of cash flows under Topic 230. The amendments in ASU No. 2016-15 address eight specific cash flow issues and apply to all entities that are required to present a statement of cash flows under Topic 230. The provisions of ASU No. 2016-15 must be applied retrospectively to all periods presented with limited exceptions. For public companies, the amendments in ASU No. 2016-15 are effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company does not expect the adoption of ASU No. 2016-15 to have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which requires that lessees recognize assets and liabilities for leases with lease terms greater than twelve months in the statement of financial position. ASU No. 2016-02 also requires additional disclosures to help users of financial statements better understand the amount, timing and uncertainty of cash flows arising from leases. The provisions of ASU No. 2016-02 are to be applied using a modified retrospective approach, and are effective for fiscal years beginning after December 15, 2018, including interim reporting periods within that reporting period. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its consolidated financial statements, but the Company expects that most existing operating lease commitments will be recognized as operating lease obligations and right-of-use assets as a result of adoption.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," related to revenue recognition. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in prior accounting guidance. The ASU permits the use of either the retrospective or modified retrospective (cumulative-effect) transition method of adoption. ASU No. 2015-14, "Deferral of the Effective Date," was issued in August 2015 to defer the effective date of ASU No. 2014-09 for public companies until annual reporting periods beginning after December 15, 2017. Early adoption is permitted for annual reporting periods beginning after December 15, 2016. In 2016, the FASB issued ASU No. 2016-08, "Revenue from

Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing," ASU No. 2016-12, "Revenue from Contracts with Customers (Topic 606), Narrow-Scope Improvements and Practical Expedients," and ASU No. 2016-20, "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers," which provide supplemental adoption guidance and clarification to ASU No. 2014-09. ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12 and ASU No. 2016-20 must be adopted concurrently with the adoption of ASU No. 2014-09. The Company continues to evaluate the impact of these ASU's on its consolidated financial statements and disclosures, and plans to adopt these ASU's in the first quarter of 2018 using the modified retrospective transition method.

(4) Discontinued Operation

On March 15, 2016, the Company completed the sale of substantially all the assets of its wholly-owned subsidiary, Total Plastics, Inc. ("TPI") for \$55,070 in cash, subject to customary working capital adjustments. Under the terms of the sale, \$1,500 of the purchase price was placed into escrow pending adjustment based upon the final calculation of the working capital at closing. The sale resulted in preliminary pre-tax and after-tax gains of \$4,217 and \$2,994, respectively, for the six months ended June 30, 2016. The Company and the buyer agreed to the final working capital adjustment during the third quarter of 2016, which resulted in the full escrowed amount being returned to the buyer. The sale ultimately resulted in pre-tax and after-tax gains of \$2,003 and \$1,306, respectively, for the year ended December 31, 2016.

Summarized results of the discontinued operation for the six months ended June 30, 2016 were as follows:

	Six Months Ended June 30, 2016
Net sales	\$ 29,680
Cost of materials	21,027
Operating costs and expenses	7,288
Interest expense ^(a)	333
Income from discontinued operations before income taxes	\$ 1,032
Income tax expense benefit ^(b)	(3,908)
Gain on sale of discontinued operations, net of income taxes	2,994
Income from discontinued operations, net of income taxes	<u>\$ 7,934</u>

^(a) Interest expense was allocated to the discontinued operation based on the debt that was required to be paid as a result of the sale of TPI.

^(b) Income tax benefit for the six months ended June 30, 2016 includes \$4,207 reversal of valuation allowance resulting from the sale of TPI.

(5) Earnings (Loss) Per Share

Diluted earnings (loss) per common share is computed by dividing income (loss) by the weighted average number of shares of common stock outstanding plus outstanding common stock equivalents. Common stock equivalents consist of employee and director stock options, restricted stock awards, other share-based payment awards, and contingently issuable shares related to the Company's 7.0% Convertible Senior Notes due December 15, 2017 (the "Convertible Notes") and the Company's 5.25% Convertible Senior Secured Notes due December 30, 2019 (the "New Convertible Notes"), which are included in the calculation of weighted average shares outstanding using the treasury stock method, if dilutive. Refer to *Note 8 - Debt* for further description of the Convertible Notes and New Convertible Notes.

The following table is a reconciliation of the basic and diluted earnings (loss) per common share calculations:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Numerator:				
Loss from continuing operations	\$ (22,541)	\$ (21,270)	\$ (36,033)	\$ (66,074)
Income from discontinued operations, net of income taxes	—	—	—	7,934
Net loss	<u>\$ (22,541)</u>	<u>\$ (21,270)</u>	<u>\$ (36,033)</u>	<u>\$ (58,140)</u>
Denominator:				
Weighted average common shares outstanding	32,310	27,793	32,306	25,709
Effect of dilutive securities:				
Outstanding common stock equivalents	—	—	—	—
Denominator for diluted earnings (loss) per common share	<u>32,310</u>	<u>27,793</u>	<u>32,306</u>	<u>25,709</u>
Basic earnings (loss) per common share:				
Continuing operations	\$ (0.70)	\$ (0.77)	\$ (1.12)	\$ (2.57)
Discontinued operations	—	—	—	0.31
Net basic loss per common share	<u>\$ (0.70)</u>	<u>\$ (0.77)</u>	<u>\$ (1.12)</u>	<u>\$ (2.26)</u>
Diluted earnings (loss) per common share:				
Continuing operations	\$ (0.70)	\$ (0.77)	\$ (1.12)	\$ (2.57)
Discontinued operations	—	—	—	0.31
Net diluted loss per common share	<u>\$ (0.70)</u>	<u>\$ (0.77)</u>	<u>\$ (1.12)</u>	<u>\$ (2.26)</u>
Excluded outstanding share-based awards having an anti-dilutive effect	<u>2,457</u>	<u>929</u>	<u>2,457</u>	<u>929</u>
Excluded "in the money" portion of New Convertible Notes having an anti-dilutive effect	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The New Convertible Notes are dilutive to the extent the Company generates net income and the average stock price during the period is greater than \$2.25 per share, which is the conversion price of the New Convertible Notes. The New Convertible Notes are only dilutive for the "in the money" portion of the New Convertible Notes that could be settled with the Company's common stock. In future periods, absent a fundamental change (as defined in the New Convertible Notes indenture), the outstanding New Convertible Notes could increase diluted average shares outstanding by a maximum of approximately 9,900 shares. The Convertible Notes would have an insignificant impact on the diluted average shares outstanding if settled with the Company's stock.

(6) Joint Venture

Kreher Steel Company, LLC ("Kreher"), a national distributor and processor of carbon and alloy steel bar products headquartered in Melrose Park, Illinois, was a 50% owned joint venture of the Company. In June 2016, the Company received an offer from its joint venture partner to purchase its ownership share in Kreher for an amount that was less than the current carrying value of the Company's investment in Kreher. The Company determined that the offer to purchase its ownership share in Kreher at a purchase price lower than the carrying value indicated that it may not be able to recover the full carrying amount of its investment, and therefore recognized a \$4,636 other-than-temporary impairment charge in the second quarter of 2016 to reduce the carrying amount of the investment to the negotiated purchase price. Prior to receiving the purchase offer, the Company had no previous indicators that its investment in Kreher had incurred a loss in value that was other-than-temporary.

In August 2016, the Company completed the sale of its ownership share in Kreher to its joint venture partner for aggregate cash proceeds of \$31,550, which resulted in a loss on disposal of \$5, including selling expenses.

The following information summarizes financial data for Kreher for the three months and six months ended June 30, 2016:

	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Net sales	\$ 29,752	\$ 61,270
Cost of materials	25,155	51,756
(Loss) income before taxes	(65)	501
Net income	368	990

(7) Intangible Assets

Intangible assets consisted of customer relationships as follows:

	June 30, 2017		December 31, 2016	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	\$ 67,348	\$ 66,307	\$ 67,317	\$ 63,216

The Company recorded the following aggregate amortization expense associated with intangibles:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Amortization expense	\$ 1,533	\$ 1,533	\$ 3,066	\$ 3,060

The following is a summary of the estimated annual amortization expense for the remainder of 2017 and each of the subsequent years:

2017	\$ 1,041
2018	\$ —
2019	\$ —
2020	\$ —
2021	\$ —

(8) Debt

Long-term debt consisted of the following:

	June 30, 2017	December 31, 2016
LONG-TERM DEBT		
7.0% Convertible Notes due December 15, 2017	\$ 25	\$ 41
11.0% Senior Secured Term Loan Credit Facilities due September 14, 2018	112,000	99,500
12.75% Senior Secured Notes due December 15, 2018	177,019	177,019
5.25% Convertible Notes due December 30, 2019	22,323	22,323
Other, primarily capital leases	2	96
Plus: derivative liability for embedded conversion feature	—	403
Less: unamortized discount	(2,665)	(7,587)
Less: unamortized debt issuance costs	(3,501)	(5,199)
Total long-term debt	305,203	286,596
Less: current portion	105,861	137
Less: liabilities subject to compromise ^(a)	199,342	—
Total long-term portion	<u>\$ —</u>	<u>\$ 286,459</u>

^(a) The Company's Senior Secured Notes due December 15, 2018 and Convertible Notes due December 30, 2019 were classified as liabilities subject to compromise at June 30, 2017. See *Note 2 - Bankruptcy Related Disclosures*.

Secured Notes

In 2016, the Company completed a private exchange offer and consent solicitation (the "Exchange Offer") to certain eligible holders to exchange new 12.75% Senior Secured Notes due 2018 (the "New Secured Notes") for the Company's outstanding 12.75% Senior Secured Notes due 2016. The Company determined that the Exchange Offer was considered to be a troubled debt restructuring within the scope of ASC No. 470-60, "Debt - Troubled Debt Restructurings by Debtors", as the Company was determined to be experiencing financial difficulties and was granted a concession by the eligible holders. Accordingly, the Company expensed the eligible holder consent fees and related legal and other direct costs incurred in conjunction with the Exchange Offer in debt restructuring loss, net in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The New Secured Notes are fully and unconditionally guaranteed, jointly and severally, by certain 100% owned domestic subsidiaries of the Company (the "Guarantors"). The New Secured Notes and the related guarantees are secured by a lien on substantially all of the Company's and the Guarantors' assets, subject to certain exceptions and permitted liens pursuant to a pledge and security agreement. The terms of the New Secured Notes contain numerous covenants imposing financial and operating restrictions on the Company's business. These covenants place restrictions on the Company's ability and the ability of its subsidiaries to, among other things, pay dividends, redeem stock or make other distributions or restricted payments; incur indebtedness or issue common stock; make certain investments; create liens; agree to payment restrictions affecting certain subsidiaries; consolidate or merge; sell or otherwise transfer or dispose of assets, including equity interests of certain subsidiaries; enter into transactions with affiliates; enter into sale and leaseback transactions; and use the proceeds of permitted sales of the Company's assets.

The Company may redeem some or all of the New Secured Notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest. The New Secured Notes also contain a provision that allows holders of the New Secured Notes to require the Company to repurchase all or any part of the New Secured Notes if a change of control triggering event occurs. Under this provision, the repurchase of the New Secured Notes will occur at a purchase price of 101% of the outstanding principal amount, plus accrued and unpaid interest, if any, on such New Secured Notes to the date of repurchase. In addition, upon certain asset sales, the Company may be required to offer to use the net proceeds thereof to purchase some of the New Secured Notes at 100% of the principal amount thereof, plus accrued and unpaid interest.

The New Secured Notes require that the Company make, subject to certain conditions and within 95 days of the end of each fiscal year beginning with the fiscal year ending December 31, 2016, an offer to purchase the New Secured Notes with (i) 75% of excess cash flow (as defined in the New Secured Notes indenture) until the Company has offered to purchase up to \$50,000 in aggregate principal amount of the notes, (ii) 50% of excess cash flow until the Company

has offered to purchase up to \$75,000 in aggregate principal amount of the notes, (iii) 25% of the excess cash flow until the Company has offered to purchase up to \$100,000 in aggregate principal amount of the notes and (iv) 0% thereafter, in each case, at 103% of the principal amount, thereof, plus accrued and unpaid interest.

The Company pays interest on the New Secured Notes at a rate of 12.75% per annum in cash semi-annually.

Senior Secured Term Loan Credit Facilities

On December 8, 2016, the Company entered into new secured credit facilities (the "Credit Facilities") with certain financial institutions (the "Financial Institutions") in order to replace and repay outstanding borrowings and support the continuance of letters of credit under the Company's senior secured asset-based revolving credit facility (the "Revolving Credit Facility"). The Credit Facilities are in the form of senior secured first-lien term loan facilities in an aggregate principal amount of up to \$112,000. In connection with the closing of the Credit Facilities, commitments pursuant to the Revolving Credit Facility were terminated, liens granted to the collateral agent pursuant thereto were released in full, and Revolving Credit Facility borrowings outstanding were repaid by the Company using proceeds from the Credit Facilities. Letters of credit previously issued under the Revolving Credit Facility were cash collateralized, resulting in \$7,722 and \$7,968 of restricted cash that is reflected in other noncurrent assets in the Condensed Consolidated Balance Sheet at June 30, 2017 and December 31, 2016, respectively.

The Credit Facilities consist of a \$75,000 initial term loan facility funded at closing and a \$37,000 delayed-draw term loan facility (the "Delayed Draw Facility"). Under the Delayed Draw Facility, \$24,500 was drawn in December 2016 and \$12,500 was expected to be available in June 2017 or thereafter. On May 4, 2017, the Company entered into an amendment to the agreement governing the Credit Facilities (the "Credit Facilities Agreement"). Under this amendment, the Financial Institutions agreed to accelerate the Company's access to the Delayed Draw Facility that was expected to be available in June 2017 or thereafter.

The funding of the Credit Facilities was subject to original issue discount in an amount equal to 3.0% of the full principal amount of the Credit Facilities. The Credit Facilities bear interest at a rate per annum equal to 11.0%, payable monthly in arrears. The outstanding principal amount of the Credit Facilities and all accrued and unpaid interest thereon will be due and be payable on September 14, 2018.

In connection with the closing of the Credit Facilities, the Financial Institutions were issued warrants (the "Warrants") to purchase an aggregate of 5,000 shares of the Company's common stock, pro rata based on the principal amount of each Financial Institution's commitment in the Credit Facilities. Warrants to purchase 2,500 shares have an exercise price of \$0.50 per share, and Warrants to purchase 2,500 shares have an exercise price of \$0.65 per share. The Warrants were exercisable upon issuance and expire on June 8, 2018.

All obligations of the Company under the Credit Facilities are guaranteed on a senior-secured basis by each direct and indirect, existing and future, domestic or Canadian subsidiary of the Company (the "Subsidiary Guarantors" and together with the Company, the "Credit Parties"). All obligations under the Credit Facilities are secured on a first-priority basis by a perfected security interest in substantially all assets of the Credit Parties (subject to certain exceptions for permitted liens). The Company agreed to add its foreign subsidiaries as guarantors and to direct such subsidiaries to grant a security interest in substantially all of their respective assets, subject to certain exceptions, as soon as possible after closing.

The Credit Facilities Agreement contains numerous covenants that, if breached, could result in a default under the agreement. These covenants include a financial covenant that requires the Company to maintain a minimum amount of consolidated adjusted EBITDA (as defined in the Credit Facilities Agreement) during various applicable fiscal periods beginning with the fiscal quarter ended March 31, 2017. The Company is also required to maintain specified minimum amounts of net working capital (as defined in the Credit Facilities Agreement) and consolidated liquidity (as defined in the Credit Facilities Agreement) of at least \$20,000. The Credit Facilities Agreement also provides that a default could result from the occurrence of any condition, act, event or development that results or could be reasonably expected to result in a material adverse effect (as defined in the Credit Facilities Agreement). In the event of a default, the Financial Institutions could elect to declare all amounts borrowed due and payable, including accrued interest and any other obligations under the Credit Facilities. Any such acceleration would also result in a default under the indentures governing the New Secured Notes and the New Convertible Notes.

On April 6, 2017, the Company entered into an amendment to the Credit Facilities Agreement. Under this amendment, the Financial Institutions agreed that the financial covenants related to consolidated adjusted EBITDA and specified minimum amounts of net working capital and consolidated liquidity, all as described in the preceding paragraph, would cease to apply for the period from March 31, 2017 through and including May 31, 2018.

Convertible Notes

In 2016, the Company entered into Transaction Support Agreements (as amended, supplemented or modified, the "Support Agreements") with certain holders (the "Supporting Holders") of the Convertible Notes. The Support Agreements provided for the terms of exchanges in which the Company agreed to issue New Convertible Notes in exchange for outstanding Convertible Notes (the "Convertible Note Exchange"). The Convertible Note Exchange was considered to be a troubled debt restructuring, as the Company was experiencing financial difficulties and was granted a concession by the Supporting Holders. As a result, the Company expensed legal and other direct costs incurred in conjunction with the Convertible Note Exchange.

As further described below, the New Convertible Notes are convertible into common stock at the option of the holder. The Company determined that the conversion option is not clearly and closely related to the economic characteristics of the New Convertible Notes, nor does it meet the criteria to be considered indexed to the Company's common stock. As a result, the Company concluded that the embedded conversion option must be bifurcated from the New Convertible Notes, separately valued, and accounted for as a derivative liability that partially settled the Convertible Notes. The initial value allocated to the derivative liability was \$11,574, with a corresponding discount recorded to the New Convertible Notes. During each reporting period, the derivative liability, which is classified in long-term debt, will be marked to fair value through earnings. The derivative liability had a fair value of \$0 as of June 30, 2017.

The New Convertible Notes mature on December 30, 2019, and bear interest at a rate of 5.25% per annum, payable semi-annually in cash. The New Convertible Notes are initially convertible into shares of the Company's common stock at any time at a conversion price per share equal to \$2.25 and are subject to adjustment in accordance with the New Convertible Notes indenture. All current and future guarantors of the New Secured Notes, the Credit Facilities, and any other material indebtedness of the Company guarantee the New Convertible Notes, subject to certain exceptions. The New Convertible Notes are secured on a "silent" third-priority basis by the same collateral that secures the New Secured Notes. Upon conversion, the Company will pay and/or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election, together with cash in lieu of fractional shares. The value of shares of the Company's common stock for purposes of the settlement of the conversion right will be calculated as provided in the indenture, using a 20 trading day observation period. Upon such conversion, the holder shall be entitled to receive an amount equal to the "make-whole" premium, payable in the form of cash, shares of the Company's common stock, or a combination of both, at the Company's sole discretion. The value of shares of Company common stock for purposes of calculating the "make-whole" premium will be based on the greater of (i) 130% of the conversion price then in effect and (ii) the volume weighted average price ("VWAP") of such shares for the 20 trading day observation period as provided in the indenture.

If the VWAP of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which such notice of redemption is provided, the Company shall have the right to redeem any or all of the New Convertible Notes at a price equal to (i) 100.0% of the aggregate principal amount thereof plus (ii) the "make-whole" premium. The redemption price can be paid in the form of cash, shares of the Company's common stock or a combination of both, at the Company's sole discretion. The value of shares of the Company's common stock will be based on the VWAP of such shares for the 20 trading days immediately preceding the date of redemption. Prior to the third trading day prior to the date of any such redemption, any New Convertible Notes called for redemption may be converted by the holder into shares of the Company's common stock at the conversion price then in effect.

(9) Fair Value Measurements

The three-tier value hierarchy the Company utilizes, which prioritizes the inputs used in the valuation methodologies, is:

Level 1—Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2—Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants.

The fair value of cash, accounts receivable, cash collateralized letters of credit and accounts payable approximate their carrying values. The fair value of cash equivalents are determined using the fair value hierarchy described above. Cash equivalents consisting of money market funds are valued based on quoted prices in active markets and as a result are classified as Level 1.

The Company's pension plan asset portfolio as of June 30, 2017 and December 31, 2016 is primarily invested in fixed income securities, which generally fall within Level 2 of the fair value hierarchy. Fixed income securities are valued based on evaluated prices provided to the trustee by independent pricing services. Such prices may be determined by various factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities.

Fair Value Measurements of Debt

The fair value of the Company's New Secured Notes as of June 30, 2017 was estimated to be \$116,390 compared to a carrying value of \$177,019. The fair value of the New Secured Notes as of December 31, 2016 was estimated to be \$116,833 compared to a carrying value of \$177,019. The fair value for the New Secured Notes was determined based on recent trades of the bonds and fall within Level 2 of the fair value hierarchy.

Because it entered into the new Credit Facilities in December 2016 and borrowings outstanding are expected to be repaid in full on or before the Effective Date, the Company determined that the fair value of borrowings outstanding under the Credit Facilities approximated carrying value at June 30, 2017 and December 31, 2016.

The fair value of the Company's New Convertible Notes was estimated to be \$4,625 compared to a carrying value of \$22,323 as of June 30, 2017. The fair value, which falls within Level 3 of the fair value hierarchy, was determined based on the estimated value the holders of the New Convertible Notes are expected to receive in settlement of their claims on the effective date of the Plan. The fair value of the New Convertible Notes, including the bifurcated embedded conversion feature, was approximately \$5,369 compared to a carrying value of \$22,323 as of December 31, 2016. The fair value as of that date was determined based on similar debt instruments that do not contain a conversion feature, as well as other factors related to the callable nature of the New Convertible Notes.

Fair Value Measurements of Embedded Conversion Feature

Because of the chapter 11 bankruptcy proceedings, the carrying values of the New Convertible Notes and the embedded conversion feature were adjusted as of the Petition Date to reflect their estimated allowed claim amounts as LSTC. As a result, the fair value of the derivative liability for the embedded conversion feature of the New Convertible Notes was estimated to be \$0 as of the Petition Date, and the carrying value of the embedded conversion feature was written off to reorganization items, net. The estimated fair value of the derivative liability for the embedded conversion feature of the New Convertible Notes, which falls within Level 3 of the fair value hierarchy, had been measured on a recurring basis using a binomial lattice model using the Company's historical volatility over the term corresponding to the remaining contractual term of the New Convertible Notes and observed spreads of similar debt instruments that do not include a conversion feature. The following reconciliation represents the change in fair value of the embedded conversion feature of the New Convertible Notes between December 31, 2016 and June 30, 2017:

	Derivative liability for embedded conversion feature
Fair value as of December 31, 2016	\$ 403
Mark-to-market adjustment on conversion feature ^(a)	146
Adjustment to write-off conversion feature to reorganization items, net	(549)
Fair value as of June 30, 2017	<u>\$ —</u>

^(a) Mark-to-market adjustment is recognized in unrealized loss on embedded debt conversion option in the Condensed Consolidated Statements of Operations and Comprehensive Loss for the six months ended June 30, 2017.

(10) Stockholders' Deficit

Accumulated Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

	June 30, 2017	December 31, 2016
Unrecognized pension and postretirement benefit costs, net of tax	\$ (9,369)	\$ (9,797)
Foreign currency translation losses, net of tax	(17,827)	(16,142)
Total accumulated other comprehensive loss	<u>\$ (27,196)</u>	<u>\$ (25,939)</u>

Changes in accumulated other comprehensive loss by component for the three months ended June 30, 2017 and 2016 are as follows:

	Defined Benefit Pension and Postretirement Items		Foreign Currency Items		Total	
	2017	2016	2017	2016	2017	2016
Balance as of April 1,	\$ (9,583)	\$ (16,729)	\$ (17,142)	\$ (16,025)	\$ (26,725)	\$ (32,754)
Other comprehensive loss before reclassifications, net of tax	—	—	(685)	(4,075)	(685)	(4,075)
Amounts reclassified from accumulated other comprehensive loss, net of tax ^(a)	214	456	—	—	214	456
Net current period other comprehensive income (loss)	214	456	(685)	(4,075)	(471)	(3,619)
Balance as of June 30,	<u>\$ (9,369)</u>	<u>\$ (16,273)</u>	<u>\$ (17,827)</u>	<u>\$ (20,100)</u>	<u>\$ (27,196)</u>	<u>\$ (36,373)</u>

^(a) See reclassifications from accumulated other comprehensive loss table below for details of reclassification from accumulated other comprehensive loss for the three month periods ended June 30, 2017 and 2016.

Changes in accumulated other comprehensive loss by component for the six months ended June 30, 2017 and 2016 are as follows:

	Defined Benefit Pension and Postretirement Items		Foreign Currency Items		Total	
	2017	2016	2017	2016	2017	2016
Balance as of January 1,	\$ (9,797)	\$ (17,185)	\$ (16,142)	\$ (16,636)	\$ (25,939)	\$ (33,821)
Other comprehensive income (loss) before reclassifications, net of tax	—	—	(1,685)	(3,464)	(1,685)	(3,464)
Amounts reclassified from accumulated other comprehensive loss, net of tax ^(a)	428	912	—	—	428	912
Net current period other comprehensive income (loss)	428	912	(1,685)	(3,464)	(1,257)	(2,552)
Balance as of June 30,	\$ (9,369)	\$ (16,273)	\$ (17,827)	\$ (20,100)	\$ (27,196)	\$ (36,373)

^(a) See reclassifications from accumulated other comprehensive loss table below for details of reclassification from accumulated other comprehensive loss for the six month periods ended June 30, 2017 and 2016.

Reclassifications from accumulated other comprehensive loss are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Unrecognized pension and postretirement benefit items:				
Prior service cost ^(b)	\$ (50)	\$ (50)	\$ (100)	\$ (100)
Actuarial loss ^(b)	(164)	(406)	(328)	(812)
Total before tax	(214)	(456)	(428)	(912)
Tax effect	—	—	—	—
Total reclassifications for the period, net of tax	\$ (214)	\$ (456)	\$ (428)	\$ (912)

^(b) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost included in sales, general and administrative expense.

(11) Employee Benefit Plans

Components of the net periodic pension and postretirement benefit cost are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Service cost	\$ 105	\$ 112	\$ 211	\$ 224
Interest cost	1,211	1,312	2,421	2,624
Expected return on assets	(2,035)	(2,035)	(4,069)	(4,070)
Amortization of prior service cost	50	50	100	100
Amortization of actuarial loss	164	406	328	812
Net periodic pension and postretirement benefit (credit) cost	\$ (505)	\$ (155)	\$ (1,009)	\$ (310)
Contributions paid	\$ —	\$ —	\$ 356	\$ —

The Company anticipates making additional cash contributions of \$213 to its pension plans in 2017.

(12) Restructuring Activity

In April 2015, the Company announced a restructuring plan consisting of workforce reductions and the consolidation of facilities in locations deemed to have redundant operations. In the three months and six months ended June 30, 2016, the Company incurred costs associated with the April 2015 restructuring plan which consisted of employee termination and related benefits, moving costs, professional fees and losses on the disposal of fixed assets. In addition, the Company recorded charges of \$452 for inventory moved from consolidated plants that was subsequently identified to be scrapped. The inventory charge is reported in cost of materials in the Condensed Consolidated Statement of Operations and Comprehensive Loss for the six months ended June 30, 2016.

In the first quarter of 2016, the Company closed its Houston and Edmonton facilities and sold all the equipment at these facilities to an unrelated third party. Restructuring activities associated with the strategic decision to close these facilities included employee termination and related benefits, lease termination costs, moving costs associated with exit from the closed facilities, and professional fees at the closed facilities.

As a result of its restructuring activities, the Company incurred the following restructuring expenses:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Employee termination and related benefits	\$ 17	\$ 125	\$ 45	\$ 678
Lease termination costs	—	561	—	6,706
Moving costs associated with plant consolidations	23	1,260	93	4,395
Professional fees	—	52	30	730
Loss on disposal of fixed assets	—	46	—	1,253
Total	\$ 40	\$ 2,044	\$ 168	\$ 13,762

Restructuring reserve activity for the six months ended June 30, 2017 is summarized below:

	Balance January 1, 2017	Period Activity			Balance June 30, 2017
		Charges (gains)	Cash receipts (payments)	Non-cash activity	
Employee termination and related benefits ^(a)	\$ 3,627	\$ 45	\$ (163)	\$ —	\$ 3,509
Lease termination costs ^(b)	823	—	(464)	—	359
Moving costs associated with plant consolidations	—	93	(93)	—	—
Professional fees	—	30	(30)	—	—
Disposal of fixed assets	—	—	—	—	—
Total	\$ 4,450	\$ 168	\$ (750)	\$ —	\$ 3,868

^(a) As of June 30, 2017, the short-term portion of employee termination and related benefits of \$340 is included in accrued and other current liabilities in the Condensed Consolidated Balance Sheet and the long-term liability associated with the Company's withdrawal from a multi-employer pension plan of \$3,169 is included in other noncurrent liabilities in the Condensed Consolidated Balance Sheet.

^(b) Payments on certain of the lease obligations are scheduled to continue until 2020. Market conditions and the Company's ability to sublease these properties could affect the ultimate charge related to the lease obligations. Any potential recoveries or additional charges could affect amounts reported in the consolidated financial statements of future periods. As of June 30, 2017, the short-term portion of the lease termination costs of \$296 is included in accrued and other current liabilities and the long-term portion of the lease termination costs of \$63 is included in other noncurrent liabilities in the Condensed Consolidated Balance Sheet.

(13) Income Taxes

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items. The Company's effective tax rate is expressed as income tax expense, which includes tax expense on the Company's share of joint venture earnings in the three months and six months ended June 30, 2016, as a percentage of loss from continuing operations before income taxes and equity in earnings of joint venture.

For the three months ended June 30, 2017, the Company recorded income tax expense of \$71 on pre-tax loss from continuing operations of \$22,470, for an effective tax rate of (0.3)%. For the three months ended June 30, 2016, the Company recorded income tax expense of \$531 on pre-tax loss from continuing operations before equity in earnings of joint venture of \$16,287, for an effective tax rate of (3.3)%.

For the six months ended June 30, 2017, the Company recorded income tax expense of \$8 on pre-tax loss from continuing operations of \$36,025, for an effective tax rate of 0.0%. For the six months ended June 30, 2016, the Company recorded income tax expense of \$196 on pre-tax loss from continuing operations before equity in earnings of joint venture of \$61,737, for an effective tax rate of (0.3)%.

The Company's U.S. statutory rate is 35%. The most significant factors impacting the effective tax rate for the six months ended June 30, 2017 and 2016 were losses in jurisdictions that the Company is not able to benefit due to uncertainty as to the realization of those losses, release of valuation allowances in jurisdictions that have become profitable, and the impact of intraperiod allocations.

(14) Commitments and Contingent Liabilities

The Company is party to a variety of legal proceedings, claims, and inquiries, including proceedings or inquiries by governmental authorities, which arise from the operation of its business. These proceedings, claims, and inquiries are incidental to and occur in the normal course of the Company's business affairs. The majority of these proceedings, claims, and inquiries relate to commercial disputes with customers, suppliers, and others; employment and employee benefits-related disputes; product quality disputes with vendors and/or customers; and environmental, health and safety claims. It is the opinion of management that the currently expected outcome of these proceedings, claims, and inquiries, after taking into account recorded accruals and the availability and limits of our insurance coverage, will not have a material adverse effect on the consolidated results of operations, financial condition or cash flows of the Company.

(15) Condensed Combined Debtor-in-Possession Financial Information

The following condensed combined financial information presents the Debtors' Balance Sheet as of June 30, 2017, the Debtors' Statement of Operations for the six months ended June 30, 2017, and the Debtors' Statement of Cash Flows for the six months ended June 30, 2017. Those subsidiaries of the Company that did not file bankruptcy petitions (the "Non-Filing Entities") are accounted for as unconsolidated subsidiaries in these financial statements and, as such, their net earnings (loss) are included as equity in earnings of non-filing entities, net of taxes in the Debtors' Statement of Operations and their net assets are included with investments in and advances to non-filing entities in the Debtors' Balance Sheet.

Intercompany transactions among the Debtors have been eliminated in the financial statements contained herein. Intercompany transactions among the Debtors and the non-filing entities have not been eliminated in the Debtors' financial statements.

Debtors' Balance Sheet

	<u>As of</u> <u>June 30, 2017</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,566
Accounts receivable, less allowance for doubtful accounts	41,519
Inventories	96,213
Other current assets	9,917
Total current assets	<u>152,215</u>
Investments in and advances to non-filing entities	105,288
Intangible assets, net	1,012
Other noncurrent assets	18,671
Property, plant and equipment, net	38,371
Total assets	<u>\$ 315,557</u>
LIABILITIES AND DEFICIT	
Current liabilities:	
Accounts payable	\$ 27,997
Other current liabilities	12,674
Current portion of long-term debt	105,859
Total current liabilities	<u>146,530</u>
Long-term debt, less current portion	—
Other noncurrent liabilities	29,578
Liabilities subject to compromise	211,363
Total deficit	<u>(71,914)</u>
Total liabilities and deficit	<u>\$ 315,557</u>

Debtors' Statement of Operations

	Six Months Ended June 30, 2017
Net sales	\$ 167,545
Costs and expenses:	
Cost of materials (exclusive of depreciation and amortization)	118,974
Warehouse, processing and delivery expense	28,680
Sales, general and administrative expense	24,897
Restructuring expense	90
Depreciation and amortization expense	6,850
Total costs and expenses	<u>179,491</u>
Operating loss	(11,946)
Interest expense, net	19,899
Financial restructuring expense	6,600
Unrealized loss on embedded debt conversion option	146
Other (income) expense, net	—
Reorganization items, net	5,502
Loss before income taxes	<u>(44,093)</u>
Income tax benefit	—
Net loss attributable to debtor entities	(44,093)
Equity in earnings of non-filing entities, net of taxes	8,060
Net loss	<u>\$ (36,033)</u>
Comprehensive loss	<u>\$ (37,290)</u>

Debtors' Statement of Cash Flows

	Six Months Ended June 30, 2017
Net cash used in operating activities	\$ (29,641)
Investing activities:	
Capital expenditures	(1,933)
Change in cash collateralization of letters of credit	246
Net cash from (used in) investing activities	<u>(1,687)</u>
Financing activities:	
Proceeds from long-term debt	12,500
Repayments of long-term debt	(114)
Other financing activities	(1,831)
Net cash from (used in) financing activities	<u>10,555</u>
Net change in cash and cash equivalents	<u>(20,773)</u>
Cash and cash equivalents - beginning of period	25,339
Cash and cash equivalents - end of period	<u>\$ 4,566</u>

(16) Subsequent Events

Debtor-in-Possession Revolving Credit Facility

After obtaining approval by the Bankruptcy Court, the Debtors entered into a Debtor-in-Possession Revolving Credit and Security Agreement dated July 10, 2017 (the "DIP Credit Agreement"), with PNC, as Lender and Administrative and Collateral Agent. The DIP Credit Agreement provides for an \$85,000 senior secured, revolving debtor-in-possession credit facility and sets forth the terms and conditions of such facility (the "DIP Facility"). The purpose of the DIP Facility is to (i) pay fees and expenses payable to PNC for the DIP Facility, (ii) provide for the Debtors' working capital needs and reimburse drawings under letters of credit, in accordance with an approved budget, (iii) fund administrative expenses of the Debtors that are included in such budget, (iv) refinance up to \$75,000 of the Company's term loan borrowings under the Credit Facilities, and (v) pay the Permitted Adequate Protection Payments (as defined in the DIP Credit Agreement) as and when due.

The DIP Facility matures on the earliest of (a) December 15, 2017, (b) the effective date of the Plan, as confirmed pursuant to an order entered by the Bankruptcy Court, (c) the closing of a sale of all or substantially all of the assets of the Debtors, or (d) the occurrence of an Event of Default (as defined in the DIP Credit Agreement), which results in acceleration of any portion of the obligations of the Debtors under the DIP Facility and termination of PNC's commitments under the DIP Credit Agreement. Obligations of the Debtors under the DIP Facility may be prepaid in whole, but not in part, at any time.

At the election of the Debtors, borrowings under the DIP Facility will bear interest at variable rates based on (a) a LIBOR-based rate plus an initial applicable margin of 3.00% or (b) a customary base rate plus an initial applicable margin of 2.00%, with such applicable margins subject to reduction based on the amount of excess available borrowing capacity under the DIP Facility. The Debtors must also pay a monthly commitment fee and certain other customary fees, costs and expenses that may be incurred by PNC in connection with the transactions contemplated by the DIP Credit Agreement.

The obligations of the Debtors under the DIP Facility are to be (i) entitled to super-priority administrative expense claim status pursuant to the Bankruptcy Code with priority over any administrative expenses of a kind specified in the Bankruptcy Code, subject to a carve-out for certain specified bankruptcy-related fees and expenses; and (ii) secured, pursuant to the Bankruptcy Code, by a first-priority perfected security interest and lien on all or substantially all of the Debtors' assets and the Company's equity interests in its subsidiaries, subject to certain carve-out and permitted prior liens.

On July 10, 2017, in connection with its entering into the DIP Credit Agreement, the Company borrowed an aggregate amount of \$66,326 from PNC, of which \$64,000 was used to pay down outstanding term loan borrowings under the Credit Facilities.

Confirmation of the Plan

On August 2, 2017, the Bankruptcy Court entered the Confirmation Order, approving and confirming the Plan. The Plan is expected to become effective, and the Debtors are expected to emerge from their chapter 11 cases, on or around August 31, 2017.

Under ASC No. 852, fresh-start accounting is required upon emergence from chapter 11 if (i) the value of the assets of the emerging entity immediately before the date of confirmation (the "reorganization value") is less than the total of all postpetition liabilities and allowed claims; and (ii) holders of existing voting shares immediately before confirmation receive less than 50% of the voting shares of the emerging entity. As of the effective date of the Plan, the Company expects to adopt fresh-start accounting, which will result in a new reporting entity with no beginning retained earnings or deficit. Fresh-start accounting also requires that the reporting entity allocate the reorganization value to its assets and liabilities in relation to their fair values upon emergence from chapter 11, which may vary materially from the carrying values as of June 30, 2017. The Company is in the process of evaluating the potential impact of fresh-start accounting on its consolidated financial statements.

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

Disclosure Regarding Forward-Looking Statements

Information provided and statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this report and the Company assumes no obligation to update the information included in this report. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, and the cost savings and other benefits that we expect to achieve from our restructuring. These statements often include words such as "believe," "expect," "anticipate," "intend," "predict," "plan," "should," or similar expressions. These statements are not guarantees of performance or results, and they involve risks, uncertainties, and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors include or relate to: other competing uses for funds, including the payment of the administrative expenses of our chapter 11 cases; our ability to timely conclude definitive documentation for, and to satisfy all conditions to the consummation of, any required exit financing, new notes indenture or other agreements required by our chapter 11 plan of reorganization; the effects of the filing of our chapter 11 cases on our business and the interests of various constituents; the bankruptcy court's rulings in our chapter 11 cases, as well the outcome of any such case in general; the length of time that we will operate under chapter 11 protection and the continued availability of operating capital during the pendency of our chapter 11 cases; risks associated with third party motions or objections in our chapter 11 cases, which may interfere with our ability to confirm and consummate a chapter 11 plan of reorganization; the potential adverse effects of our chapter 11 cases on our liquidity or results of operations; our ability to execute the Company's business and financial reorganization plan; and increased advisory costs to execute our reorganization. Other factors include our ability to effectively manage our operational initiatives and restructuring activities, the impact of volatility of metals prices, the cyclical and seasonal aspects of our business, our ability to effectively manage inventory levels, our ability to successfully complete the remaining steps in our strategic refinancing process, and the impact of our substantial level of indebtedness, as well as including those risk factors identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and this Quarterly Report on Form 10-Q for the second quarter ended June 30, 2017. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future, to reflect the occurrence of unanticipated events or for any other reason.

The following discussion should be read in conjunction with the Company's Condensed Consolidated Financial Statements and related notes thereto in Item 1 "Financial Statements (unaudited)".

Overview

A. M. Castle & Co., together with its subsidiaries, (the "Company") is a specialty metals distribution company serving customers on a global basis. The Company has operations in the United States, Canada, Mexico, France, the United Kingdom, Spain, China and Singapore. The Company provides a broad range of product inventories as well as value-added processing and supply chain services to a wide array of customers, principally within the producer durable equipment, aerospace, heavy industrial equipment, industrial goods, construction equipment, oil and gas, and retail sectors of the global economy. Particular focus is placed on the aerospace and defense, power generation, mining, heavy industrial equipment, and general manufacturing industries, as well as general engineering applications.

Recent Developments

Restructuring Support Agreement

To reduce the Company's long-term debt and cash interest obligations and thereby strengthen its financial position and flexibility, A. M. Castle & Co. and certain of its subsidiaries (the "Debtors") entered into a restructuring support agreement (the "RSA") on April 6, 2017. The RSA was entered into with certain of the Company's creditors (the "Consenting Creditors"), including certain holders of the Company's (a) term loans under the credit facilities agreement dated as of December 8, 2016, as amended (the "Credit Facilities Agreement"), (b) 12.75% Senior Secured Notes due December 15, 2018 (the "New Secured Notes"), and (c) 5.25% Convertible Senior Secured Notes due December 30, 2019 (the "New Convertible Notes"). The RSA provides for a consensual restructuring of the debt and equity of

the Company, which the Company seeks to effect by means of a Debtors' Prepackaged Joint Chapter 11 Plan of Reorganization (as amended, the "Plan").

Commitment Agreement

On June 16, 2017, pursuant to the terms of the RSA, the Debtors entered into a Commitment Agreement with certain of their creditors (the "Commitment Parties"). The Commitment Parties are the holders (or the investment advisors or managers for the holders) of term loans (the "Credit Facilities") made to the Company under the Credit Facilities Agreement.

Under the Commitment Agreement, the Commitment Parties have agreed, subject to the terms and conditions set forth in the Commitment Agreement, to purchase new notes to be issued by the reorganized Company under the Plan (the "New Money Notes") for an aggregate purchase price of up to \$40.0 million (the "New Money Amount"), subject to decrease based on the Company's Opening Liquidity (as defined in the Commitment Agreement) as of the effective date of the Plan (the "Effective Date"). The New Money Notes will be on the same terms as the new notes issued by the Company under the Plan to holders of certain other classes of claims.

The New Money Notes will be issued at a price of \$800 in cash for each \$1,000 in principal amount of New Money Notes. The Commitment Agreement provides for the payment by the Company, in consideration for the Commitment Parties' agreements in the Commitment Agreement, of a put option payment equal to \$2.0 million, which shall be payable in cash upon the earlier of the Effective Date or the termination of the Commitment Agreement in accordance with its terms. In addition, the Company has agreed to reimburse the reasonable fees and expenses incurred by the legal and financial advisors to the Commitment Parties.

Under the Commitment Agreement, the Debtors are required to meet the same milestones as set forth in the RSA, including that they obtain orders of the Bankruptcy Court confirming the Plan on or before the sixtieth day after filing voluntary chapter 11 petitions with the United States Bankruptcy Court for the District of Delaware in Wilmington, Delaware (the "Bankruptcy Court"). Further, the Commitment Agreement may be terminated if the Effective Date has not occurred by August 31, 2017, if the RSA is terminated, and upon other specified events.

Chapter 11 Bankruptcy Filing

On June 18, 2017, pursuant to the terms of the RSA, the Debtors commenced voluntary chapter 11 proceedings under the United States Bankruptcy Code (the "Bankruptcy Code") with the Bankruptcy Court. The chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly under the caption *In re Keystone Tube Company, LLC., et al.* (Case No. 17-11330).

The filing of the bankruptcy petitions constituted a default or event of default that accelerated the Company's obligations under (i) the Credit Facilities Agreement, (ii) the Indenture dated February 8, 2016 (the "Senior Notes Indenture") and the New Secured Notes issued pursuant thereto, and (iii) the Indenture dated May 19, 2016 (the "Convertible Notes Indenture") and the New Convertible Notes issued pursuant thereto. The Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture provide that, as a result of the filing of the bankruptcy petitions, all outstanding indebtedness due thereunder shall be immediately due and payable. Any efforts to enforce such payment obligations under the Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture are automatically stayed as a result of the bankruptcy petitions, and the creditors' rights of enforcement in respect of the Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture are subject to the applicable provisions of the RSA and the Bankruptcy Code.

No trustee has been appointed in the chapter 11 cases, and the Debtors continue to operate their business as "debtors in possession" subject to the supervision and orders of the Bankruptcy Court in accordance with the Bankruptcy Code. It is expected that the Company will continue its operations without interruption during the pendency of the chapter 11 cases. To maintain and continue ordinary course operations without interruption, the Company received approval from the Bankruptcy Court of a variety of "first day" motions seeking certain relief and authorizing the Company to maintain its operations in the ordinary course. Bankruptcy Court filings and other information related to the chapter 11 cases are available at a website administered by the Debtors' claims agent, Kurtzman Carson Consultants, LLC, at <http://www.kccllc.net/amcastle>.

The Condensed Consolidated Financial Statements have been prepared to reflect the application of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 852, "Reorganizations". ASC No. 852 requires that the financial statements, for periods subsequent to the chapter 11 filing, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly,

certain expenses, gains and losses that are realized or incurred in the bankruptcy proceedings are recorded in reorganization items, net in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss. In addition, liabilities subject to compromise in the chapter 11 cases are distinguished from liabilities of non-filing entities, liabilities not expected to be compromised, and postpetition liabilities in the Company's Condensed Consolidated Balance Sheet at June 30, 2017. Liabilities subject to compromise are reported at the amounts expected to be allowed as claims by the Bankruptcy Court, although they may be settled for less.

Proposed Plan of Reorganization

Pursuant to the terms of the RSA, the Debtors filed the original Plan with the Bankruptcy Court on June 18, 2017 and an amended version of the Plan on July 25, 2017. The Plan implements a new senior secured exit financing facility and the issuance of the New Money Notes to refinance or exchange the existing first lien Credit Facilities and to provide working capital for the reorganized Company. The terms of the Plan provide that the new senior secured exit financing facility shall be in the form of an asset-based revolving credit facility (the "New ABL Facility") entered into on or before the Effective Date. On June 2, 2017, the Company entered into a commitment letter with PNC Bank, National Association ("PNC"), which contemplates a \$125,000 New ABL Facility to be entered into upon the Effective Date. If the Debtors are unable to enter into the New ABL Facility on or before the Effective Date, then, on the Effective Date, the Debtors shall enter into a new first lien senior secured term loan credit facility (the "New Roll-Up Facility"). The Plan also deleverages the Company's balance sheet by exchanging \$177.0 million aggregate principal amount of New Secured Notes and \$22.3 million aggregate principal amount of New Convertible Notes for an 80% share of new common stock in the reorganized Company, subject to dilution, and certain convertible new second lien secured notes in an aggregate principal amount of \$115.0 million (the "Exchange Notes"), together with certain cash distributions. All of the existing equity interests in the Company will be extinguished, but holders of such equity interests will have the opportunity to receive a 20% share of new common stock in the reorganized Company, subject to dilution, as part of a settlement encompassed in the Plan. Allowed general unsecured claims and all creditors who are unimpaired under the Plan will receive a complete recovery.

Prior to filing the Plan with the Bankruptcy Court, the Company completed its solicitation of votes to accept or reject the Plan from the holders of claims under the Credit Facilities Agreement (the "Prepetition First Lien Secured Claims"), the holders of the New Secured Notes (the "Prepetition Second Lien Secured Claims") and the holders of the New Convertible Notes (the "Prepetition Third Lien Secured Claims"). In dollar value, 100% of the votes cast by holders of both the Prepetition First Lien Secured Claims and the Prepetition Second Lien Secured Claims, as well as 79.24% of the votes cast by holders of the Prepetition Third Lien Secured Claims, approved the Plan. In the aggregate, 98.32% of the voting secured creditors by dollar value voted in favor of the Plan. Additionally, a majority of voting holders in number in each class approved the Plan, with an aggregate of 88.68% of voting holders in number approving the Plan.

Debtor-in-Possession Revolving Credit Facility

After obtaining approval by the Bankruptcy Court, the Debtors entered into a Debtor-in-Possession Revolving Credit and Security Agreement dated July 10, 2017 (the "DIP Credit Agreement"), with PNC, as Lender and Administrative and Collateral Agent. The DIP Credit Agreement provides for an \$85.0 million senior secured, revolving debtor-in-possession credit facility and sets forth the terms and conditions of such facility (the "DIP Facility"). The purpose of the DIP Facility is to (i) pay fees and expenses payable to PNC for the DIP Facility, (ii) provide for the Debtors' working capital needs and reimburse drawings under letters of credit, in accordance with an approved budget, (iii) fund administrative expenses of the Debtors that are included in such budget, (iv) refinance up to \$75.0 million of the Company's term loan borrowings under the Credit Facilities, and (v) pay the Permitted Adequate Protection Payments (as defined in the DIP Credit Agreement) as and when due. Refer to *Note 16 - Subsequent Events* to the Condensed Consolidated Financial Statements.

Confirmation of the Plan

On August 2, 2017, the Bankruptcy Court entered an order approving and confirming the Plan. The Plan is expected to become effective on or around August 31, 2017. Refer to *Note 16 - Subsequent Events* to the Condensed Consolidated Financial Statements.

Results of Operations: Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

The following table sets forth certain statement of operations data for the three months ended June 30, 2017 and 2016.

	Three Months Ended June 30,				Favorable/(Unfavorable)	
	2017		2016		\$ Change	% Change
	\$	% of Net Sales	\$	% of Net Sales		
<i>(Dollar amounts in millions)</i>						
Net sales	\$ 136.5	100.0 %	\$ 130.7	100.0 %	\$ 5.8	4.4 %
Cost of materials (exclusive of depreciation and amortization)	102.1	74.8 %	97.7	74.7 %	(4.4)	(4.5)%
Operating costs and expenses ^(a)	37.8	27.7 %	44.3	33.9 %	6.5	14.7 %
Operating loss	\$ (3.4)	(2.5)%	\$ (11.3)	(8.6)%	\$ 7.9	69.9 %

^(a) Operating costs and expenses include restructuring expenses of less than \$0.1 million for the three months ended June 30, 2017 and \$2.0 million for the three months ended June 30, 2016.

Net Sales

Net sales in the three months ended June 30, 2017 were \$136.5 million, an increase of \$5.8 million, or 4.4%, compared to the three months ended June 30, 2016. The improvement was mainly due to a 10.9% increase in tons sold per day to customers compared to the same period in the prior year. The largest sales volume increases in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 were in carbon and alloy plate and alloy bar. The favorable impact of the increase in sales volumes was partly offset by an overall unfavorable change in product mix.

Average selling prices overall decreased 4.5% in the three months ended June 30, 2017 compared to the three months ended June 30, 2016, driven by decreases in the price per ton sold of aluminum and stainless. The average price per ton sold of all other product categories increased compared to the prior year quarter.

Cost of Materials

Cost of materials (exclusive of depreciation and amortization) in the three months ended June 30, 2017 was \$102.1 million compared to \$97.7 million in the three months ended June 30, 2016. The \$4.4 million, or 4.5%, increase is largely due to the increase in sales volumes in the three months ended June 30, 2017.

Cost of materials (exclusive of depreciation and amortization) was 74.8% of net sales in the three months ended June 30, 2017 compared to 74.7% of net sales in the three months ended June 30, 2016.

Operating Costs and Expenses and Operating Loss

Operating costs and expenses for the three months ended June 30, 2017 and 2016 were as follows:

	Three Months Ended June 30,		Favorable/(Unfavorable)	
	2017	2016	\$ Change	% Change
<i>(Dollar amounts in millions)</i>				
Warehouse, processing and delivery expense	\$ 19.3	\$ 20.8	\$ 1.5	7.2%
Sales, general and administrative expense	14.6	17.2	2.6	15.1%
Restructuring expense	—	2.0	2.0	100.0%
Depreciation and amortization expense	3.9	4.3	0.4	9.3%
Total operating costs and expenses	\$ 37.8	\$ 44.3	\$ 6.5	14.7%

Operating costs and expenses decreased by \$6.5 million from \$44.3 million in the three months ended June 30, 2016 to \$37.8 million in the three months ended June 30, 2017.

- Warehouse, processing and delivery expense decreased by \$1.5 million mainly as a result of lower payroll, benefit and freight costs;

- Sales, general and administrative expense decreased by \$2.6 million mainly as a result of lower payroll and benefits costs due to lower company-wide employee headcount, bad debt expense and outside consulting services; and
- Depreciation and amortization expense decreased by \$0.4 million due to lower depreciation expense resulting from plant closures and equipment sales.

Operating loss in the three months ended June 30, 2017, was \$3.4 million compared to operating loss of \$11.3 million, including \$2.0 million of restructuring expense, in the same period last year.

Other Income and Expense, Income Taxes and Net Loss

Interest expense was \$10.1 million in the three months ended June 30, 2017 compared to \$9.6 million in the three months ended June 30, 2016. The increase was mainly attributable to a higher interest rate on term loan borrowings under the Company's Credit Facilities Agreement, which was entered into in December 2016, compared to the interest rate on borrowings under the Company's former revolving credit agreement.

Financial restructuring expense of \$5.7 million in the three months ended June 30, 2017 was mostly comprised of legal and other professional fees incurred prior to filing the chapter 11 bankruptcy petitions in connection with the financial restructuring of the debt and equity of the Company.

Unrealized gain on the embedded conversion option associated with the 5.25% Convertible Notes due December 30, 2019 was \$0.0 million for the three months ended June 30, 2017 and \$1.3 million for the three months ended June 30, 2016.

The debt restructuring gain of \$0.5 million in the three months ended June 30, 2016 resulted from the issuance of the Company's New Convertible Notes in exchange for outstanding 7.0% Convertible Senior Notes due 2017 (the "Convertible Note Exchange") and the subsequent conversion of a portion of the New Convertible Notes to equity.

Other income, comprised mostly of foreign currency transaction gains, was \$2.2 million in the three months ended June 30, 2017 compared to \$2.8 million in the same period last year. These gains are primarily related to unhedged intercompany financing arrangements.

Reorganization items, net for the three months ended June 30, 2017 was an expense of \$5.5 million, and was comprised of legal and other professional fees of \$0.7 million and the write-off of unamortized debt issuance costs and discounts related to the New Secured Notes and New Convertible Notes of \$4.8 million. Reorganization items, net represent expenses and income directly associated with the chapter 11 proceedings, as well as adjustments to reflect the carrying value of liabilities subject to compromise at their estimated allowed claim amounts, as such adjustments are determined.

The Company recorded an income tax expense of \$0.1 million for the three months ended June 30, 2017 compared to an income tax expense of \$0.5 million for the same period last year. The Company's effective tax rate is expressed as income tax expense, which includes income tax expense (benefit) on the Company's share of joint venture losses in the three months ended June 30, 2016, as a percentage of loss from continuing operations before income taxes and equity in losses of joint venture. The effective tax rate for the three months ended June 30, 2017 and 2016 was (0.3)% and (3.3)%, respectively. The change in the effective tax rate in the three months ended June 30, 2017 resulted from changes in the geographic mix and timing of income (losses), the inability to benefit from current year losses due to valuation allowance positions in the U.S., and the impact of intraperiod allocations.

Equity in losses of the Company's joint venture was \$4.5 million in the three months ended June 30, 2016, which included a \$4.6 million impairment charge related to the write-down of the Company's investment in joint venture to fair value. In August 2016, the Company completed the sale of its interest in its joint venture for aggregate cash proceeds of \$31.6 million.

Loss from continuing operations and net loss for the three months ended June 30, 2017 was \$22.5 million compared to \$21.3 million for the three months ended June 30, 2016.

Results of Operations: Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

The following table sets forth certain statement of operations data for the six months ended June 30, 2017 and 2016. Included in the operating results below is the sale of all inventory and subsequent closure of the Company's Houston and Edmonton facilities which occurred in the first quarter of 2016.

	Six Months Ended June 30,				Favorable/(Unfavorable)	
	2017		2016		\$ Change	% Change
	\$	% of Net Sales	\$	% of Net Sales		
<i>(Dollar amounts in millions)</i>						
Net sales	\$ 272.4	100.0 %	\$ 294.5	100.0 %	\$ (22.1)	(7.5)%
Cost of materials (exclusive of depreciation and amortization) ^(a)	203.1	74.6 %	231.4	78.6 %	28.3	12.2 %
Operating costs and expenses ^(b)	75.0	27.6 %	101.3	34.4 %	26.3	26.0 %
Operating loss	\$ (5.7)	(2.1)%	\$ (38.2)	(13.0)%	\$ 32.5	85.1 %

^(a) Cost of materials includes \$0.5 million of inventory scrapping expenses associated with restructuring activity for the six months ended June 30, 2016.

^(b) Operating costs and expenses include \$0.1 million and \$13.8 million of restructuring expenses for the six months ended June 30, 2017 and 2016, respectively.

Net Sales

Net sales in the six months ended June 30, 2017 were \$272.4 million, a decrease of \$22.1 million, or 7.5%, compared to the same period last year. Net sales for the six months ended June 30, 2016 included the Company's \$27.1 million sale of all its inventory at its Houston and Edmonton facilities to an unrelated third party. The sale of this inventory, which was sold at a zero gross margin (calculated as net sales, less cost of materials), was the result of a strategic decision to lower the Company's exposure to oil and gas market fluctuations. Including that sale of inventory, net sales from the Houston and Edmonton locations, which were closed in February 2016, were \$33.0 million. Despite the closure of these two locations, the Company posted an 8.3% increase in tons sold per day to customers compared to the six months ended June 30, 2016. Excluding the tons sold from the Houston and Edmonton locations in the six months ended June 30, 2016, tons sold per day increased 10.7%. Products with the most notable improvements in sales volumes were carbon and alloy plate, alloy bar and aluminum. Offsetting the positive impact of the increase in sales volumes was a 4.8% decrease in average selling prices and an unfavorable change in product mix.

Average selling prices for many of the Company's products were higher in the six months ended June 30, 2017 compared to the same period last year, but decreases in average selling prices of aluminum and alloy bar resulted in the overall 4.8% decrease in average selling prices.

Cost of Materials

Cost of materials (exclusive of depreciation and amortization) during the six months ended June 30, 2017 was \$203.1 million compared to \$231.4 million during the six months ended June 30, 2016. The \$28.3 million, or 12.2%, decrease is mostly due to the \$27.1 million of cost of materials recognized on the sale of all inventory at the Company's Houston and Edmonton facilities in the six months ended June 30, 2016, as discussed above.

Cost of materials (exclusive of depreciation and amortization) was 74.6% as a percent of net sales in the six months ended June 30, 2017, compared to 78.6% as a percent of net sales for the comparative prior year period. While the percentage for the six months ended June 30, 2016 was impacted by the \$27.1 million sale of the inventory at the Houston and Edmonton locations, the decrease in the percentage also reflects improved inventory management and better matching of sales prices with inventory replacement cost.

Operating Costs and Expenses and Operating Loss

Operating costs and expenses for the six months ended June 30, 2017 and 2016 were as follows:

<i>(Dollar amounts in millions)</i>	Six Months Ended June 30,		Favorable/(Unfavorable)	
	2017	2016	\$ Change	% Change
Warehouse, processing and delivery expense	\$ 38.0	\$ 44.2	\$ 6.2	14.0%
Sales, general and administrative expense	29.1	34.7	5.6	16.1%
Restructuring expense	0.1	13.8	13.7	99.3%
Depreciation and amortization expense	7.8	8.6	0.8	9.3%
Total operating costs and expenses	<u>\$ 75.0</u>	<u>\$ 101.3</u>	<u>\$ 26.3</u>	26.0%

Operating costs and expenses decreased by \$26.3 million from \$101.3 million during the six months ended June 30, 2016 to \$75.0 million during the six months ended June 30, 2017.

- Warehouse, processing and delivery expense decreased by \$6.2 million primarily as a result of lower payroll, benefit, and facility costs resulting from plant consolidations and the closure of the Houston and Edmonton facilities;
- Sales, general and administrative expense decreased by \$5.6 million mainly as a result of lower payroll, benefit, and outside services costs;
- Restructuring expense was \$0.1 million in the six months ended June 30, 2017, while restructuring expense was \$13.8 million in the six months ended June 30, 2016, which consisted mainly of severance expense and lease termination charges associated with the closure of the Company's Houston and Edmonton facilities, as well as moving expenses associated with plant consolidations; and
- Depreciation and amortization expense decreased by \$0.8 million due to lower depreciation expense resulting from plant closures and equipment sales.

Operating loss in the six months ended June 30, 2017, including restructuring charges of \$0.1 million, was \$5.7 million compared to an operating loss of \$38.2 million, including restructuring charges of \$13.8 million, in the same period in the prior year.

Other Income and Expense, Income Taxes and Net Loss

Interest expense was \$20.8 million in the six months ended June 30, 2017 compared to \$20.0 million in the six months ended June 30, 2016. The increase was mainly attributable to a higher interest rate on term loan borrowings under the Company's Credit Facilities Agreement, which was entered into in December 2016, compared to the interest rate on borrowings under the Company's former revolving credit agreement.

Financial restructuring expense of \$6.6 million in the six months ended June 30, 2017 was mostly comprised of legal and other professional fees incurred prior to filing the chapter 11 bankruptcy petitions in connection with the financial restructuring of the debt and equity of the Company.

Unrealized loss on the embedded conversion option associated with the New Convertible Notes was \$0.1 million for the six months ended June 30, 2017 compared to an unrealized gain of \$1.3 million in the six months ended June 30, 2016.

The debt restructuring loss of \$6.6 million in the six months ended June 30, 2016 reflects \$7.1 million of eligible holder consent fees and related legal and other direct costs incurred in conjunction with the private exchange offer and consent solicitation to certain eligible holders to exchange New Secured Notes for the Company's 12.75% Senior Secured Notes due 2016. Those charges were partly offset by a \$0.5 million gain that resulted from the Convertible Note Exchange and the subsequent conversion of a portion of the New Convertible Notes to equity.

Other income, comprised mostly of foreign currency transaction gains, was \$2.8 million in the six months ended June 30, 2017 compared to \$1.7 million for the same period in the prior year. These gains and losses are primarily related to unhedged intercompany financing arrangements.

Reorganization items, net for the six months ended June 30, 2017 was an expense of \$5.5 million, and was comprised of legal and other professional fees of \$0.7 million and the write-off of unamortized debt issuance costs and discounts related to the New Secured Notes and New Convertible Notes of \$4.8 million. Reorganization items, net represent expenses and income directly associated with the chapter 11 proceedings, as well as adjustments to reflect the carrying value of liabilities subject to compromise at their estimated allowed claim amounts, as such adjustments are determined.

The Company recorded income tax expense of less than \$0.1 million for the six months ended June 30, 2017 compared to income tax expense of \$0.2 million for the same period last year. The Company's effective tax rate is expressed as income tax expense, which includes tax expense (benefit) on the Company's share of joint venture losses in the six months ended June 30, 2016, as a percentage of loss from continuing operations before income taxes and equity in losses of joint venture. The effective tax rate for the six months ended June 30, 2017 and 2016 was 0.0% and (0.3)%, respectively. The change in the effective tax rate for the six months ended June 30, 2017 resulted from changes in the geographic mix and timing of income (losses), the inability to benefit from current year losses due to valuation allowance positions in the U.S., and the impact of intraperiod allocations.

Equity in losses of joint venture was \$4.1 million in the six months ended June 30, 2016. Included in the equity in losses of joint venture was an impairment charge of \$4.6 million related to the write-down of the Company's investment in joint venture to fair value. In August 2016, the Company completed the sale of its joint venture for aggregate cash proceeds of \$31.6 million.

Loss from continuing operations for the six months ended June 30, 2017 was \$36.0 million compared to a loss from continuing operations of \$66.1 million for the six months ended June 30, 2016. Income from discontinued operations, net of income taxes, was \$7.9 million for the six months ended June 30, 2016, which includes an after-tax gain on the sale of substantially all the assets of the Company's wholly owned subsidiary, Total Plastic, Inc. ("TPI") of \$3.0 million and an income tax benefit of \$4.2 million from the reversal of an income tax valuation allowance.

Net loss for the six months ended June 30, 2017 was \$36.0 million. Net loss for the same period in the prior year, which includes income from discontinued operations (net of income taxes) of \$7.9 million, was \$58.1 million.

Liquidity and Capital Resources

Cash and cash equivalents increased (decreased) as follows:

<i>(Dollar amounts in millions)</i>	Six Months Ended June 30,	
	2017	2016
Net cash used in operating activities	\$ (33.3)	\$ (24.4)
Net cash (used in) from investing activities	(2.0)	54.5
Net cash from (used in) financing activities	10.5	(29.2)
Effect of exchange rate changes on cash and cash equivalents	0.4	(0.1)
Net change in cash and cash equivalents	<u>\$ (24.4)</u>	<u>\$ 0.8</u>

The Company's principal sources of liquidity currently are cash provided by operations and borrowings under the DIP Facility that was entered into on July 10, 2017. During the pendency of the chapter 11 proceedings, the Company expects its primary liquidity requirements will be to fund working capital needs, refinance up to \$75.0 million of term loan borrowings under the Credit Facilities, and make required payments under the DIP Facility.

Specific components of the change in working capital (defined as current assets less current liabilities), are highlighted below:

- During the six months ended June 30, 2017, higher accounts receivable compared to year-end 2016 resulted in \$16.7 million of cash flow use compared to \$6.1 million of cash flow use for the same period last year. Average receivable days outstanding was 51.4 days for the six months ended June 30, 2017 compared to 53.9 days for the six months ended June 30, 2016.
- During the six months ended June 30, 2017, higher inventory levels compared to year-end 2016 used \$0.5 million of cash, while lower inventory levels at June 30, 2016 compared to year-end 2015 were a \$26.7 million cash flow source for the six months ended June 30, 2016. The majority of the cash flow source from inventory in the six months ended June 30, 2016 was the result of the Houston and Edmonton inventory sale discussed above. Average days sales in inventory was 135.9 days for the six months

ended June 30, 2017 compared to 171.7 days for the six months ended June 30, 2016, which resulted primarily from improved inventory management.

- During the six months ended June 30, 2017, increases in accounts payable and accrued and other current liabilities were a \$13.2 million cash flow source compared to a \$2.4 million cash flow source for the same period last year. Accounts payable days outstanding was 38.8 days for the six months ended June 30, 2017 compared to 45.1 days for the same period last year.

Working capital and the balances of its significant components are as follows:

<i>(Dollar amounts in millions)</i>	June 30, 2017	December 31, 2016	Working Capital Increase (Decrease)
Working capital	\$ 95.3	\$ 203.9	\$ (108.6)
Cash and cash equivalents	11.2	35.6	(24.4)
Accounts receivable	83.6	64.4	19.2
Inventories	149.5	146.6	2.9
Accounts payable	44.0	33.1	(10.9)
Accrued and other current liabilities	15.6	19.9	4.3

Approximately \$5.6 million of the Company's consolidated cash and cash equivalents balance of \$11.2 million at June 30, 2017 resided in the United States.

Net cash used in investing activities of \$2.0 million during the six months ended June 30, 2017 is mostly attributable to cash paid for capital expenditures of \$2.3 million. Management expects capital expenditures to range from \$6.0 million to \$7.0 million for the full-year 2017. Net cash from investing activities of \$54.5 million during the same period last year is mostly attributable to cash proceeds from the sale of TPI. Cash paid for capital expenditures for the six months ended June 30, 2016 was \$1.9 million.

Under the indenture governing the Company's 7.0% Convertible Notes due 2017 (the "Convertible Notes"), upon the occurrence of a Fundamental Change, which includes, among other things, the delisting of the Company's common stock from the New York Stock Exchange ("NYSE"), each holder has the right to require the Company to repurchase for cash all or a portion of such holder's Convertible Notes. Effective January 17, 2017, the Company's common stock was delisted from the NYSE. Accordingly, the Company made an offer to purchase its Convertible Notes and, on February 22, 2017, the Company repurchased \$16 thousand aggregate principal amount of its Convertible Notes.

During the six months ended June 30, 2016, all available proceeds from the sale of TPI were used to pay down the Company's long-term debt, which along with the \$8.7 million payment of debt restructuring costs, resulted in net cash used in financing activities of \$29.2 million.

In December 2016, the Company entered into the Credit Facilities with certain financial institutions (the "Financial Institutions") in order to replace and repay outstanding borrowings and support the continuance of letters of credit under the Company's senior secured asset-based revolving credit facility. The Credit Facilities are in the form of senior secured first-lien term loan facilities in an aggregate principal amount of \$112.0 million. The Credit Facilities consist of a \$75.0 million initial term loan facility funded at closing and a \$37.0 million Delayed Draw Facility. Under the Delayed Draw Facility, \$24.5 million was drawn in December 2016 and \$12.5 million was expected to be available in June 2017 or thereafter. On May 4, 2017, the Company entered into an amendment to the Credit Facilities Agreement, whereby the Financial Institutions agreed to accelerate the Company's access to the Delayed Draw Facility that was expected to be available in June 2017 or thereafter. The \$12.5 million was drawn by the Company in May 2017 to finance additional investments in inventory and service customers' needs.

For additional information regarding the terms of the New Secured Notes, the New Convertible Notes and the Credit Facilities, refer to *Note 8 - Debt* to the Condensed Consolidated Financial Statements.

On June 18, 2017, pursuant to the terms of the RSA, the Debtors commenced voluntary chapter 11 proceedings under the Bankruptcy Code with the Bankruptcy Court. No trustee has been appointed in the chapter 11 cases, and the Debtors continue to operate their business as "debtors in possession" subject to the supervision and orders of the Bankruptcy Court in accordance with the Bankruptcy Code. It is expected that the Company will continue its operations without interruption during the pendency of the chapter 11 cases.

The filing of the bankruptcy petitions constituted a default or event of default that accelerated the Company's obligations under (i) the Credit Facilities Agreement, (ii) the Senior Notes Indenture and the New Secured Notes issued pursuant thereto, and (iii) the Convertible Notes Indenture and the New Convertible Notes issued pursuant thereto. The Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture provide that, as a result of the filing of the bankruptcy petitions, all outstanding indebtedness due thereunder shall be immediately due and payable. Any efforts to enforce such payment obligations under the Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture are automatically stayed as a result of the bankruptcy petitions, and the creditors' rights of enforcement in respect of the Credit Facilities Agreement, the Senior Notes Indenture, and the Convertible Notes Indenture are subject to the applicable provisions of the RSA and the Bankruptcy Code.

For additional information regarding the chapter 11 proceedings, refer to *Note 2 - Bankruptcy Related Disclosures* in the Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to interest rate, commodity price and foreign exchange rate risks that arise in the normal course of business. There have been no significant or material changes to such risks since December 31, 2016. Refer to Item 7A in the Company's Annual Report on Form 10-K filed for the year ended December 31, 2016 for further discussion of such risks.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

A review and evaluation was performed by the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934). Based upon that review and evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15 and 15d-15 under the Exchange Act that occurred during the three months ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

On June 18, 2017, A.M. Castle & Co. and four of its subsidiaries (collectively, the “Debtors”) filed voluntary petitions for reorganization under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) pursuant to the terms of a Restructuring Support Agreement dated April 6, 2017, as amended, by and among the Debtors and certain of their creditors (the “RSA”). The Debtors’ chapter 11 cases are jointly administered under *In re Keystone Tube Company, LLC., et al.* (Case No. 17-11330). The four subsidiaries in the chapter 11 cases are Keystone Tube Company, LLC, HY-Alloy Steels Company, Keystone Services, Inc. and Total Plastics, Inc. The Debtors continue to operate as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the United States Bankruptcy Code.

The bankruptcy cases were commenced pursuant to the RSA to effect a restructuring of the debt and equity of the Company under a chapter 11 plan of reorganization. Accordingly, the Company filed the Debtors’ Prepackaged Joint Chapter 11 Plan of Reorganization with the Bankruptcy Court on June 18, 2017 and the Debtors’ Amended Prepackaged Joint Chapter 11 Plan of Reorganization (the “Plan”) with the Bankruptcy Court on July 25, 2017. On August 2, 2017, the Bankruptcy Court entered an order confirming the Plan. The Company expects that the effective date of the Plan will occur as soon as all conditions precedent to the Plan have been satisfied or waived in accordance with the terms of the Plan. The Company anticipates that all conditions precedent to the Plan will be satisfied on or about August 31, 2017 and that the Debtors will exit their bankruptcy cases at that time.

Item 1A. Risk Factors

The following information updates, and should be read in conjunction with, the information previously disclosed in Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the Securities and Exchange Commission on April 7, 2017.

Trading in the Company’s securities during the pendency of the chapter 11 cases is highly speculative and poses substantial risks.

If the restructuring contemplated by the Plan is consummated, all existing equity interests of the Company, including common stock and any outstanding preferred stock, warrants or options, will be extinguished. Holders of the Company’s common stock will be entitled to distributions under the Plan only if they are holders as of the Distribution Record Date established under the Plan. Each holder of the Company’s common stock entitled to any distribution under the Plan will receive only such holder’s share of 20% of the Company’s new common stock issued on the effective date of the Plan on a pro rata basis as determined by, and subject to dilution as contemplated under, the Plan. Trading prices for the Company’s securities may not bear any substantive relationship to the probable outcome for security holders in the chapter 11 cases.

Trading in the Company’s common stock after August 2, 2017, the Distribution Record Date established under the Plan, is expected to be subject to restrictions.

Pursuant to the Plan, the transfer ledgers for the Company’s common stock will be closed on the Distribution Record Date, and after such date there will no further changes in the holders of record of such shares. The Company and its transfer agents will not have any obligation to recognize the transfer of any shares of the Company’s outstanding common stock occurring after the Distribution Record Date, and will be entitled instead to recognize and deal for all purposes under the Plan with only those record holders stated on the transfer ledger as of the close of business on the Distribution Record Date.

The Company’s ability to exit from its chapter 11 cases on a timely basis in accordance with the Plan depends on completion of definitive documentation and other factors.

Consummation of the Plan is subject to a number of conditions precedent, including the execution and delivery by third parties, in final and definitive form, of material agreements and instruments required to effectuate the Plan. Such agreements include an exit facility credit agreement and related documents between the Company and the provider of its exit financing, an intercreditor agreement between the provider of the Company’s exit financing and the holders of the Company’s debt securities to be issued under the Plan, and an indenture agreement between the Company and an institutional indenture trustee under which such debt securities will be issued. Other factors that could impede or delay the Company’s exit from bankruptcy include appointment of a trustee to replace the Company as debtor-in-possession, conversion of the cases to chapter 7 cases, appeals of the Bankruptcy Court’s order approving confirmation

of the Plan, or other legal challenges to the Plan. If the Company is unable to exit from its chapter 11 cases on a timely basis, the Company will be exposed to the continuing costs of chapter 11, and its planned restructuring will be subject to delays.

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

None.

Item 3. Defaults Upon Senior Securities

Information required by this Item 3 has been previously disclosed in the Company's Current Report on Form 8-K filed on June 19, 2017.

Item 6. Exhibits

Exhibits required to be filed as part of this Report on Form 10-Q are listed in the Exhibit Index, which is incorporated by reference herein.

SIGNATURE

Pursuant to the requirements 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.

A. M. Castle & Co.

(Registrant)

Date: August 9, 2017

By: /s/ Patrick R. Anderson

Patrick R. Anderson, Executive Vice President,
Chief Financial Officer & Treasurer

(Principal Financial Officer & Principal Accounting
Officer)

(Mr. Anderson has been authorized to sign on
behalf of the Registrant.)

Exhibit Index

The following exhibits are filed herewith or incorporated herein by reference:

Exhibit No.	Description
2.1	Debtors' Amended Prepackaged Joint Chapter 11 Plan of Reorganization dated July 25, 2017. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on August 3, 2017. Commission File No. 1-05415
2.2	Debtors' Amended Prepackaged Joint Chapter 11 Plan or Reorganization, dated July 25, 2017. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on August 3, 2017. Commission File No. 1-05415
3.1	Amended and Restated Bylaws of A.M. Castle & Co., as adopted on November 3, 2016. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K/A filed with the SEC on February 3, 2017. Commission File No. 1-05415
3.2	Amended and Restated Bylaws of A.M. Castle & Co., as adopted on April 6, 2017. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 7, 2017. Commission File No. 1-05415
10.1*	Amended and Restated Employment Agreement dated May 15, 2017, between A.M. Castle & Co. and Steven W. Scheinkman
10.2*	Amended and Restated Employment Agreement dated May 15, 2017, between A.M. Castle & Co. and Marec E. Edgar
10.3*	Amended and Restated Employment Agreement dated May 15, 2017, between A.M. Castle & Co. and Patrick R. Anderson
10.4*	Amended and Restated Employment Agreement dated May 15, 2017, between A.M. Castle & Co. and Ronald E. Knopp
10.5	Restructuring Support Agreement, dated April 6, 2017, by and among the Company, certain of its subsidiaries, and certain beneficial holders or other parties signatory thereto. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 7, 2017. Commission File No. 1-05415
10.6	Second Amendment to Credit and Guaranty Agreement, dated as of April 6, 2017, by and among the Company, certain of its subsidiaries, the Lenders party thereto, and Cantor Fitzgerald Securities, as Administrative Agent and Collateral Agent. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on April 7, 2017. Commission File No. 1-05415
10.7	Third Amendment to Credit and Guaranty Agreement, dated as of May 4, 2017, by and among the Company, certain of its subsidiaries, the Lenders party thereto, and Cantor Fitzgerald Securities, as Administrative Agent and Collateral Agent. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 4, 2017. Commission File No. 1-05415
10.8	Second Amendment to the Restructuring Support Agreement, dated June 8, 2017, by and among the Company, certain of its subsidiaries, and certain beneficial holders or other parties signatory thereto. Incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on June 9, 2017. Commission File No. 1-05415
10.9	Commitment Agreement, dated as of June 16, 2017, by and among A.M. Castle & Co., Total Plastics, Inc., Hy-Alloy Steels Company, Keystone Tube Company, LLC, Keystone Service, Inc., and the Commitment Parties thereto. Incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on June 9, 2017. Commission File No. 1-05415
10.10	Debtor-in-Possession Revolving Credit and Security Agreement, dated as of July 10, 2017, by and among A.M. Castle & Co., Total Plastics, Inc., HY-Alloy Steels Company, Keystone Tube Company, LLC, and Keystone Service, Inc., as Borrowers, PNC Bank, National Association, as Lender and as Administrative and Collateral Agent, and such other Lenders which may be party thereto, and the Commitment Parties thereto. Incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on July 19, 2017. Commission File No. 1-05415
31.1	CEO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
31.2	CFO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
32.1	CEO and CFO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document

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101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Label Linkbase Document

101.PRE XBRL Taxonomy Presentation Linkbase Document

* *This agreement is considered a compensatory plan or arrangement.*

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of May 15, 2017 (the “Commencement Date”), by and between A.M. Castle & Co., a Maryland corporation (the “Employer”), and Steven W. Scheinkman, a resident of Illinois (the “Employee”).

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Offer Letter dated April 16, 2015 by Employer to Employee, Severance Agreement dated April 16, 2015 by and between Employer and Employee, and Change in Control Agreement dated April 16, 2015 by and between Employer and Employee (in each case including any exhibits or attachments thereto and as heretofore modified, amended or supplemented, the “Existing Employment Agreement”);

WHEREAS, Employer and certain of its creditors are parties to a Restructuring Support Agreement dated as of even date herewith (the “RSA”) pursuant to which a financial restructuring of the existing debt and equity interests of Employer and its subsidiaries (the “Restructuring”) is to be undertaken;

WHEREAS, pursuant to the RSA, the Restructuring is to be implemented pursuant to a pre-packaged chapter 11 plan of reorganization (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and the Term Sheet, and including all exhibits thereto, the “Plan”), to be filed in voluntary cases commenced by Employer and its subsidiaries (collectively, the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware or pursuant to out-of-court proceedings on the same or substantially the same terms and conditions.

WHEREAS, in connection with the Restructuring, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of any subsidiary or affiliate of Employer.

2. Term. The term of employment under this Agreement shall commence on the Commencement Date and shall continue for three (3) years thereafter (such three-year period, the “Initial Term”) unless sooner terminated as contemplated herein; *provided, however*, that, unless sooner terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a “Renewal Date”), the then-existing term of this Agreement shall automatically be renewed one additional year (any such renewal term, an “Extension Period”) unless either party gives the other written notice of non-renewal not less than three hundred sixty-five days (365) days prior to the end of the Initial Term (or the Extension Period, as applicable). For the avoidance of doubt, notice of non-renewal of this Agreement given at any other time shall be void and ineffective. Written notice of non-renewal by Employer shall be solely pursuant to a duly adopted resolution of Employer’s board of directors (the “Board”). Upon the date of expiration of the term of this Agreement, Employee shall cease to be employed and shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 3, 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a base salary of \$650,000 per year during the Initial Term, or such other sums as the parties may mutually agree on from time to time, payable in accordance with Employer’s regular payroll practices as in effect from time to time with respect to all office employees of Employer, but no less frequently than monthly (“Base Salary”). The Board or, if the same is established, the human resources or compensation committee of the Board (the “Compensation Committee”) shall have the right to increase Employee’s Base Salary from time to time, and Employee shall be entitled to an annual or more frequent review thereof as determined by the Board, with the first such review to occur in the first calendar quarter of Employer’s 2018 fiscal year. Such increased Base Salary then shall become Employee’s “Base Salary” for purposes of this Agreement.

(b) The Board or Compensation Committee, in its good faith discretion, reasonably exercised, may, with respect to any year during the term hereof, award an incentive opportunity bonus or bonuses to Employee; *provided, however*, that Employer shall annually provide Employee with a short-term incentive plan (the “STIP”) to be determined by the Board or the Compensation Committee. Employee’s target payment under the STIP (the “Target STIP”) shall be one hundred twenty-five percent (125%) of Base Salary, and Employee’s maximum payment under the STIP shall be three hundred twelve and one-half percent (312.50%) of Base Salary, or such other amounts as may be approved by the Board or the Compensation Committee. The STIP shall be on the terms and conditions as determined by the Compensation Committee and established by written summary delivered to Employee no later than March 15 of the applicable year(s). The compensation provided for in this Section 3(b) shall be in addition to any pension, 401(k), or profit

sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

(c) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(d) Employee shall be entitled to such fringe benefits including, but not limited to, life, medical, disability, and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(e) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, Employee's service for any parent, subsidiary or affiliate of Employer or for any entity acquired by, or other predecessor of, Employer.

(f) Employer shall provide Employee with either (i) an Employer-leased vehicle, all costs (gas, insurance, maintenance, etc.) paid, or (ii) an auto allowance and a mobile telephone allowance during the term of the Agreement, as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(g) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(h) Restructuring Compensation

(i) Employee and Employer agree that, in addition to all other cash compensation specified herein, Employee shall be entitled to an additional cash award equal to seventy-three and thirty-five hundredths percent (73.35%) of his Base Salary (the "Restructuring Award") subject to Employee's continued employment by Employer on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, or if Section 3(h)(v) below applies, the effective date of the closing of the Sale During Restructuring (in either case such date, as applicable,

the “Restructuring Award Vesting Date”). The Restructuring Award shall be payable on the Restructuring Award Vesting Date.

(ii) Employee and Employer agree that, in connection with the Restructuring, Employer shall establish a customary management incentive plan (the “MIP”) under which officers and other key employees of Employer, including Employee, shall be eligible to receive, in the aggregate, (a) awards denominated or payable in shares of the new common stock of the restructured Employer and (b) New Notes (as defined in the RSA or the term sheet attached thereto) convertible into shares of the new common stock of the restructured Employer. The shares reserved under the MIP, whether granted directly under the MIP or issuable upon conversion of New Notes granted under the MIP (the “MIP Aggregate Equity”), shall be equal in the aggregate to ten percent (10%) of the equity of the restructured Employer as of the effective date of the Restructuring on a fully diluted basis (exclusive of any shares of new common stock issuable upon conversion of any New Notes issued to purchasers for new money in the Rights Offering (as defined in the RSA or the term sheet attached thereto) but including any shares of new common stock attributable to original issue discount or the Put Option Payment (as defined in the RSA or the term sheet attached thereto)). Employer and Employee agree that the MIP shall provide for a grant of sixty percent (60%) of the MIP Aggregate Equity (inclusive of the New Notes portion) on the effective date of the Restructuring (the “Initial 60% Award”) and that forty percent (40%) the MIP Aggregate Equity under the MIP shall be reserved for issuance in respect of awards to be granted pursuant to the MIP following the Restructuring, in the discretion of the Board (such reserved amount, plus any granted but unvested shares or New Notes that for any reason in accordance with the MIP are forfeited by MIP participants and returned to the MIP Aggregate Equity, the “Reserved 40%”). Upon a Change in Control, the Board shall allocate the full amount of any then-unallocated portion of the Reserved 40%; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee. Of the Initial 60% Award, Employee shall be entitled to an allocation of thirty-five percent (35%), and the allocation to Employee with respect to the Reserved 40%, if any, shall be determined by the Board in its sole discretion.

(iii) Employee shall be entitled to receive Employee’s allocation of the Initial 60% Award on the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, in a pro rata combination of unvested shares of new common stock and New Notes, with such award to vest on the third (3rd) anniversary of the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such

anniversary, unless an earlier date for such vesting is otherwise provided for by the terms of this Agreement.

(iv) Employee shall be eligible to participate in such long-term incentive compensation plans that have been approved or may in the future be approved by the shareholders of Employer and administered by the Board.

(v) If a Sale During Restructuring shall occur, Employee shall receive on the closing date thereof in addition to any Restructuring Award, subject to Employee's continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such closing date, a cash payment in an amount equal to one and five hundredths percent (1.05%) of the gross proceeds of the Sale During Restructuring (net of transaction costs). The term "Sale During Restructuring" shall mean the sale of all or substantially all of the assets of Employer and its subsidiaries at any time after the Commencement Date or during the pendency of the Chapter 11 Cases concerning the Restructuring but before (or preventing) the effective date of the Restructuring.

(vi) For the avoidance of doubt, Employee hereby acknowledges and agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute a Change in Control (or term of similar import), as defined herein or in the Existing Employment Agreement.

(vii) For purposes of this Section 3(h), Employee shall be considered to have "continued employment" on a given date notwithstanding (a) Employee's death or termination by Employer due to disability on or before such date, (b) termination by Employee of his employment hereunder on or before such date for good reason, or (c) termination by Employer of Employee's employment hereunder on or before such date without good cause.

(i) If Employee's employment hereunder terminates effective at the end of the Initial Term or any Extension Period solely by reason of a non-renewal thereof in accordance with Section 2 hereof (and, for avoidance of doubt, not under any circumstances specified in Section 7 or 8 hereof), Employee shall be entitled to receive the compensation and benefits set forth in this Section 3(i).

(A) If such termination is by reason of a non-renewal by Employer, Employee shall be entitled to receive (i) all salary earned but not yet paid through the date of termination, and (ii) (x) any prior-year STIP compensation earned but not yet paid, and the prorated portion of any current year STIP compensation as and when determined in the ordinary course of the calculation of current year STIP award due to other executive officers of Employer, and (y) any and all options, rights or awards under the Reserved 40% that have been granted to, and that have not been forfeited by, Employee before the date of such

termination, if any, shall vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination.

(B) If such termination is by reason of a non-renewal by Employee, Employee shall be entitled to receive all salary earned but not yet paid through the date of termination.

(j) Employee shall be entitled to a monthly living allowance of \$7,200 (before tax equalization), payable in the first regular pay cycle of each month. Employee shall further be entitled to loss-on-sale protection from Employer on the purchase of a home in the Chicago area, capped at a purchase price of one million dollars (\$1,000,000). For the avoidance of doubt, such loss-on-sale purchase price cap does not prevent Employee from purchasing a home for a cost greater than the cap, but instead shall operate to dilute, pro rata, any loss-on-sale protection reimbursement due from Employer. By way of example, if Employee purchases a home for one million, two-hundred thousand dollars (\$1,200,000), which he then sells for one million dollars (\$1,000,000), Employee would be entitled to loss-on-sale reimbursement from Employer of one-hundred sixty-six thousand, six-hundred sixty dollars (\$166,660), or 5/6ths of the two-hundred thousand dollar (\$200,000) total loss on sale actually realized.

4. Duties. Employee is engaged and shall serve as President and Chief Executive Officer of Employer and, as may be requested by Employer from time to time, any other direct or indirect subsidiaries of Employer that may be formed or acquired. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by the Board and consistent with the office of President and Chief Executive Officer. These services shall be provided from offices located in Oak Brook, Illinois, or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with *de minimis* personal matters.

(b) Employee shall be entitled to paid time off ("PTO") in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior

officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum amount of PTO afforded to any other officer of Employer, but no less than four (4) weeks per full calendar year worked, and that up to one (1) week of unused PTO in each year may be carried over to be used in the following year (in addition to the normal maximum allotment for such following year).

6. [Reserved]

7. Illness or Incapacity; Termination on Death or Permanent Disability.

(a) If during the term of this Agreement Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior-year STIP compensation earned but not yet paid and the prorated portion of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for 90 days following the date of death or determination of permanent disability, provided that Employee and Employee's dependents, as applicable, shall continue to pay the active-employee contribution toward such benefits. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of death or termination on account of permanent disability shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of death or termination on account of permanent disability. Except for the benefits set forth in the preceding sentences and any life or disability insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health, life, or disability insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b) The terms "permanently disabled" and "permanent disability" as used in this Agreement shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) consecutive days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), or one hundred twenty (120) days in any twelve (12) month period, by reason of any physical or mental impairment. In the event that Employee becomes "permanently disabled," the Board may terminate Employee's employment under this Agreement upon written notice. If any determination with respect to "permanent disability" is disputed by Employee, Employee agrees to abide by the determination of a qualified, independent physician selected by Employer in good faith. Employee agrees to make himself available for and submit to examinations by such physician as may be reasonably directed

by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

(c) All rights of Employee under this Agreement (other than rights already accrued) shall terminate upon Employee's permanent disability, although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time. For the avoidance of doubt, during any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement and does not result in Employee's permanent disability, Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any STIP compensation earned during such period, less any benefits received by him under any disability insurance carried by or provided by Employer.

8. Terminations Other Than For Death or Disability.

(a) By Employee

(i) Employee may terminate his employment hereunder for any reason whatsoever other than "good reason" upon giving at least thirty (30) days' prior written notice. In addition, Employee shall have the right to terminate his employment hereunder at any time for "good reason." As used herein, "good reason" means the occurrence of any of the following: (1) the relocation of Employee's office to a location outside the State of Illinois or more than fifty (50) miles from its present location, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, (3) a change in reporting structure of Employer where Employee is required to report to someone other than the Board, (4) any action or inaction that constitutes a material breach by Employer of this Agreement (other than with respect to any provision of this Agreement covered by any of clauses (1) through (3) of this definition of "good reason"), or (5) any Change in Control in connection with which (A) this Agreement is not assumed or continued by any purchaser, acquirer, controlling person or successor to Employer (an "Acquiror") and (B) Employee is not offered employment by such Acquiror for the same or a substantially similar executive position and with the same or substantially similar compensation and other benefit opportunities in the aggregate, in each case as enjoyed by Employee immediately before the Change in Control (*provided, however*, that (i) if Employee receives gross aggregate proceeds (whether in cash or property) in excess of two million (\$2,000,000) as a result of such Change in Control in respect of options, rights or awards under any of Employer's incentive compensation plans (including shares held following the exercise of any option), with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control, the

determination of whether Employee is offered “substantially similar compensation and other benefits opportunities” shall be made without regard to equity-based compensation opportunities, and (ii) if clause (i) does not apply, equity-based compensation opportunities offered by such Acquiror shall be deemed to be “substantially similar” to the equity-based compensation opportunities enjoyed by Employee immediately before the Change in Control if such equity-based compensation opportunities offered by Acquiror are on market-appropriate terms for a company of Employer’s size and industry). Notwithstanding the foregoing, Employee will not have “good reason” to terminate his employment unless (i) he provides the Board with a written notice detailing the specific circumstances alleged to constitute “good reason” within ninety (90) days after Employee first learns (or should have learned) of the first occurrence of such circumstances, (ii) Employer is given a period of thirty (30) days following receipt of such written notice to cure the applicable “good reason” condition, if susceptible to cure, and (iii) Employee actually terminates employment within thirty (30) days following the expiration of Employer’s thirty (30) day cure period described above. For the avoidance of doubt, Employee agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute “good reason” hereunder or under the Existing Employment Agreement, and Employee hereby waives any right to claim “good reason” solely by virtue of consummation thereof.

(ii) If Employee gives notice to terminate his employment without “good reason” pursuant to the first sentence of Section 8(a)(i) above, Employer shall have the right to waive all or any portion of the required notice period, and terminate Employee’s employment early, without re-characterizing such termination as a voluntary termination by Employee without “good reason”; *provided, however*, that notwithstanding such early termination, Employee shall remain entitled to payment of compensation and all other benefits to which Employee would have been entitled hereunder in respect of such notice period in the absence of such early termination.

(iii) If Employee terminates his employment hereunder with “good reason” effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then (a) any and all options, rights or awards under any of Employer’s incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such termination shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination; (b) Employee shall receive a cash severance amount (the “Cash Severance”) equal to the product of (x) Employee’s Applicable Base and (y) two (2) (the “Severance Multiple”), such Cash Severance (in all circumstances contemplated under this Agreement) to be paid:

(1) sixty-five percent (65%) upon the next regular payroll date of Employer following the effectiveness of the Release (as defined below) and the remaining thirty-five percent (35%) in equal monthly installments for six (6) months beginning on the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of termination, *except* that in the event of a Qualifying Change in Control (as defined below) occurring prior to any scheduled payment date for such deferred payments, such deferred payments shall be paid in full in a single lump sum on the later of (x) the closing date of such Qualifying Change in Control and (y) the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of the termination; or

(2) in the case of a termination upon or within twenty-four (24) months following a Qualifying Change in Control, in a single lump-sum payment on the effective date of the termination.

(c) subject to Employee's timely election and COBRA continuation of health insurance continuation coverage under Employer's applicable benefit plans, a monthly cash reimbursement, for the period of two (2) years following the termination of the Agreement (or if earlier, until Employee ceases enrollment in such continuation coverage), of the portion of Employee's cost of COBRA premiums that is in excess of the active-employee cost of such coverage (which active-employee cost shall be the responsibility of Employee), with such monthly cost-reimbursement being paid by Employer directly to the coverage provider in accordance with Employer's past practices; (d) Employee shall continue to receive the perquisites specified in Section 3(f) for the period of one (1) year following the termination of the Agreement (*provided, however*, that if such perquisites are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the reasonable cost of providing equivalent perquisites); and (e) the prorated portion, up to and including the termination date, of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executives of Employer. The benefits described in clauses (a) through (e) above shall be referred to herein as the "Severance Benefits." For the avoidance of doubt, to the extent that any of the Severance Benefits (in relation to any form of termination of employment under this Agreement) are deferred and not paid in full to Employee on the effective date of his termination, and Employee should later die prior to receiving such deferred Severance Benefits, any outstanding Severance Benefits due and owing to Employee at the time of his death shall be paid in full in a single lump sum to Employee's estate upon presentation to Employer of a certified death certificate. As used herein, the term "Qualifying Change in Control" means a Change in Control (as defined below) that constitutes a change in the ownership or effective control of Employer, or in the ownership of a substantial portion of the assets of Employer, in either case within the meaning of Section 409A (as defined below).

For purposes of this Agreement, the "Applicable Base" shall be the sum of (a) the annual rate of Employee's Base Salary pursuant to Section 3(a) in effect at the time of termination of employment (but no less than such rate of such Base Salary as of the Commencement

Date) and (b) the amount of Employee's Target STIP award for the year in which the termination occurs (but no less than the amount of such Target STIP for the year in which the Commencement Date occurs).

(b) By Employer for Good Cause

(i) Employer may terminate the employment of Employee hereunder for "good cause" (as defined below) immediately upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of, or entry of a plea of guilty or "nolo contendere" to, either (x) a felony or (y) any other crime that has, or could be reasonably expected to have, a materially adverse impact on the performance of Employee's duties to Employer or otherwise result in material injury to the reputation or business of Employer;

(2) Employee's engaging in criminal misconduct involving moral turpitude if, as a result, in the reasonable judgement of Employer, Employee's credibility and reputation no longer conform to the standard required of Employer's executives;

(3) Employee's willful failure to take actions permitted by law and necessary to implement Employer's policies that the Board (or Employee's direct supervisor) has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's willful and continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board (or Employee's direct supervisor) to Employee of such failure; or

(5) Employee's willful breach of any material provision of this Agreement.

With respect to clauses (2) through (5) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within thirty (30) days following written notice thereof from Employer identifying in reasonable detail such circumstances constituting "good cause"; *provided*, that during such cure period Employee shall not be entitled to any compensation hereunder other than continued payment of Base Salary and benefits pursuant to Section 3(d) and

Section 3(f), and upon Employee's failure to cure, the termination of employment shall be deemed effective as of the date of Employer's delivery of written notice of termination for "good cause." For purposes of this Agreement, no act or failure to act on Employee's part shall be considered "willful" unless it is done, or omitted to be done, by him in bad faith or without reasonable belief that his action or omission was in the best interests of Employer. Any act or failure to act pursuant to express authority given by resolution duly adopted by the Board or pursuant to the advice of legal counsel for Employer or any of its subsidiaries shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of Employer.

(iii) Termination of the employment of Employee by Employer (other than by reason of any non-renewal of employment in accordance with Section 2 or by reason of Employee's death or permanent disability in accordance with Section 7) shall, unless such termination is for a reason expressly specified in this Agreement as good cause, be deemed to be a termination of employment by Employer "without good cause."

(c) By Employer Without Good Cause

(i) Employer may terminate the employment of Employee hereunder without "good cause" immediately upon written notice. If Employer shall terminate the employment of Employee without "good cause" (other than due to permanent disability) effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then Employee shall be entitled to receive the Severance Benefits.

(ii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without "good cause," the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without "good cause," and Employer agrees that Employee shall not be required to mitigate his damages.

(d) Change in Control

(i) If a Change in Control of Employer shall occur, then (a) the Board shall grant and allocate the full amount of any then-ungranted or unallocated portion of the Reserved 40% no later than immediately before the date of such Change in Control; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee; and (b) any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such Change in Control (including, for the

avoidance of doubt, any awards granted or allocated in accordance with the preceding clause (a) of this Section 8(d)(i) shall be deemed to have vested in full as of immediately before the date of such Change in Control.

(ii) If the employment of Employee is terminated “in connection with a Change in Control” (as defined below), then, for purposes of determining the Severance Benefits, (I) the Severance Multiple shall be two and one-half times (2.5x) and (II) the period of COBRA premium reimbursement under clause (d) of Section 8(a)(iii) above shall be two and one-half (2.5) years. Notwithstanding the foregoing sentence or anything to the contrary in Section 8(a)(iii), if the employment of Employee is terminated in connection with a Change in Control, the Severance Benefits payable to Employee as a result thereof shall, to the extent (and only to the extent) that the pre-tax value of all Cash Severance (as such term is used herein and in each other Covered Executive’s respective employment agreement with Employer, as in effect from time to time) and payment of prorated STIP under section 8(a)(iii)(e) (or under the analogous provision in each other Covered Executive’s respective employment agreement with Employer, as in effect from time to time) (and, for the avoidance of doubt, excluding all other severance benefits) payable to all Covered Executives as a result of terminations of employment within thirty (30) days before or after such Change in Control (the “Aggregate Change in Control Severance”) exceeds \$4.0 million, Employee’s Severance Benefits shall be reduced, dollar-for-dollar, by an amount equal to the pre-tax value of the share of the Aggregate MIP Value received by Employee in respect of his options, rights or awards under Employer’s incentive compensation plans, including shares held following the exercise of any option); *provided, however*, that (a) the amount of such reduction shall not exceed Employee’s pro rata share of \$3.2 million (pro rata by reference to Employee’s share of the Aggregate MIP Value received by all Covered Employees); and (b) Employee’s Severance Benefits shall not be reduced below Employee’s pro rata share of \$4.0 million (pro rata by reference to the Executive’s share of the aggregate Change in Control Severance with respect to such Change in Control). For purposes of this Section 8 (d)(ii):

(1) A termination of employment shall be deemed to be “in connection with a Change in Control” (A) if Employer terminates the employment of Employee hereunder without “good cause” (other than due to permanent disability) either on the effective date of a Change in Control, or in anticipation of or preparation for a reasonably expected and specific Change in Control (as determined by the Board in good faith), or (B) if, within twenty-four (24) months following a Change in Control, either Employer terminates the employment of Employee hereunder without “good cause” (other than due to permanent disability) or Employee terminates his employment hereunder with “good reason.”

(2) The value of severance benefits to any Covered Executive shall be determined by the Board in good faith, without discounting for present value, and with the value of any non-cash components of such benefits being determined at fair market value as of the date of such Change in Control.

(3) The term “Aggregate MIP Value” means, with respect to any Change in Control, the aggregate pre-tax value of the proceeds (whether in cash or property) received by all of the Covered Executives as a result of such Change in Control in respect of options, rights or awards under any of Employer’s incentive compensation plans (including shares held following the exercise of any option) and held by such Covered Executives, with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control.

(4) The term “Covered Executives” means each of Employer’s employees listed on Schedule 2 attached hereto.

(iii) The term “Change in Control” shall mean any of the following that occurs after the Commencement Date:

(1) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, including the regulations and other applicable authorities thereunder (the “Exchange Act”)) (“Person”), other than any Designated Holder (as defined below) or Designated Holders acting as a group, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) (“Beneficial Owner”), directly or indirectly, of securities of Employer (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of Employer’s then-outstanding voting securities entitled to vote generally in the election of directors;

(2) members of the Incumbent Board cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the consummation of the Restructuring whose election, or nomination for election by Employer’s stockholders, was approved by a vote of at least a majority of the directors then constituting the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual’s initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent

Board (with the term “Incumbent Board” to mean the members of the Board as of immediately following the consummation of the Restructuring);

(3) approval by the shareholders of Employer of a complete dissolution or liquidation of Employer;

(4) any sale or disposition to a Person of all or substantially all of the assets of Employer (including by way of merger of any direct or indirect subsidiary of Employer with any other corporation or entity); and

(5) there is consummated a merger or consolidation of Employer, other than (A) a merger or consolidation immediately following which the individuals who constitute the Incumbent Board immediately prior thereto constitute at least a majority of the board of directors of Employer, the entity surviving such merger or consolidation, or, if Employer or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, (B) a merger or consolidation (or similar transaction) following which no Person is or becomes a Beneficial Owner, directly or indirectly, of securities of Employer or the entity surviving such merger or consolidation (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation (other than a Person that was, prior to such merger or consolidation (or similar transaction) a Beneficial Owner, directly or indirectly, of securities of Employer representing forty percent (40%) or more of the combined voting power of Employer’s then-outstanding securities), or (C) a merger or consolidation (or similar transaction) following which the individuals and entities that were the Beneficial Owners of the outstanding voting securities of Employer remain direct or indirect Beneficial Owners of forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation.

As used herein, the term “Designated Holder” means any of the following, or any of their respective controlled affiliates, or any fund or account managed, advised or controlled by any of the following or any of their respective controlled affiliates: Highbridge Capital Management, LLC, Wolverine Asset Management, LLC, Corre Partners Management, LLC, Whitebox Advisors LLC, and SGF, Inc.

(e) If the employment of Employee is terminated for “good cause” or if Employee voluntarily terminates his employment without “good reason,” Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination

and shall provide such benefits as are required by applicable law or the terms of relevant benefit plans of Employer; *provided*, that for purposes of this sentence, any unpaid prior-year STIP shall be forfeited as of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement.

(f) Employer's obligations to provide the Severance Benefits or any benefits pursuant to clause (ii) of Section 3(i)(A) above shall be conditioned upon Employee's timely execution, delivery to Employer, and non-revocation of the release of claims substantially in the form attached hereto as Appendix A (the "Release"), and the expiration of the period (if any) during which the Release can be revoked within the fifty-five (55) day period following Employee's date of termination; *provided*, that, if such fifty-five (55) day period spans two (2) calendar years, no Severance Benefits that would constitute non-qualified deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such fifty-five (55) day period but for this sentence being made promptly following such fifty-five (55) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all, and will not use for his own benefit or otherwise misappropriate any, ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to A.M. Castle's Business (as defined below), whether acquired by Employee before or during his employment by Employer. Employee acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, and similar or related information (whether or not patentable) that relate to the actual or anticipated business, research and development, or existing or future products or services of Employer and that are conceived, developed, or made by Employee while employed by Employer ("Work Product") belong to Employer. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" as such term is defined in 17 U.S.C. Section 101, and ownership of all right, title, and interest therein shall vest in Employer. To the extent that any Work Product is not deemed a "work made for hire" under applicable law, or all right, title, and interest in and to such Work Product has not automatically vested in Employer, Employee hereby irrevocably assigns, transfers, and conveys, to the full extent permitted by applicable law, all right, title, and interest in and to the Work Product on a worldwide basis to Employer without further consideration. Employee will promptly disclose such Work Product to Employer and perform all actions requested by Employer (whether during or after employment) to establish and confirm such ownership (including without limitation, assignments, consents, powers of attorney, and other instruments). Nothing in this Section 9 shall be construed as requiring any

such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets; Non-Disparagement.

(a) For purposes of this Agreement, the term “A.M. Castle’s Business” shall mean any business in which Employer or any of its subsidiaries is engaged, including, without limitation, the business of distributing specialty metals to customers within the producer durable equipment, aerospace, heavy industrial equipment, industrial goods, construction equipment, oil and gas, and retail sectors in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets, which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee’s employment with Employer. “Confidential Information and Trade Secrets” includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer) that is not generally known to persons who are not employees of Employer, and that Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. “Confidential Information and Trade Secrets” may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as “Confidential” by Employer.

(b) “Confidential Information and Trade Secrets” includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity that has purchased, contracted, hired, or chartered equipment, vehicles, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding A.M. Castle’s Business, or to which Employer has made a proposal with respect to A.M. Castle’s Business (such person or entity being hereinafter referred to as “Customer” or “Customers”);

(iii) Names and other information about Employer’s employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with A.M. Castle's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records that contain, reflect or describe any Confidential Information and Trade Secrets belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor.

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect at all times during and after the termination of Employer's employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer. Notwithstanding the foregoing, Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Employee files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Employee may disclose Employer's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

(e) Employee agrees that at no time during or following his employment with Employer shall he make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employer or any of its affiliates, or any of its or their respective current or former shareholders, directors, officers, or employees in any respect. Employer agrees to use reasonable efforts to instruct each of its directors and officers to, at no time during or following Employee's employment with Employer, make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employee in any respect.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (x) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (y) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (x) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning A.M. Castle's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier

Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of A.M. Castle's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and to continue to perform, Employee's duties under this Agreement. In addition, Employer agrees to provide, and to continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure that Employee can perform Employee's duties hereunder and participate in A.M. Castle's Business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities, within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area during the Restricted Period. For purposes of this Agreement, the "Restricted Period" shall mean the term of Employee's employment with Employer, including the Initial Term and any Extension Period, and thereafter until the later of (A) the expiration of the two (2) -year period following the termination of such employment or (B) if such employment is terminated pursuant to Section 8(d)(ii) or Section 8(d)(iii) of this Agreement, the expiration of the two and one-half (2.5) year period following the termination of such employment (the "Restricted Period").

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or being connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in, any person, entity or business that is engaged in A.M. Castle's

Business (a “Restricted Enterprise”). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of Employee’s employment with Employer, his employment by a law firm, a certified public accounting firm, or a commercial or investment bank that may have as a client or customer: (A) a Restricted Enterprise or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee’s employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Restricted Enterprise or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with A.M. Castle’s Business. For purposes of this covenant, “any other employee” shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or provision of any equipment, services, or products that constitute any part of A.M. Castle’s Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 10, no provision of this Agreement shall prohibit (i) Employee’s continued consulting positions, officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the “Scheduled Entities”) provided that (A) Employee’s role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on April 1, 2017, and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on April 1, 2017, or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the “Permitted Activities”).

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the world.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and to continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and to continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants. Notwithstanding the foregoing, Employee's non-competition restrictions under this Agreement shall be void *ab initio* to the extent that the Severance Benefits are owed to Employee pursuant to Section 8 above and are not actually paid to Employee at the time scheduled for payment thereof in accordance with this Agreement (subject to Employer's right to cure any non-payment within sixty (60) days following Employee's written notice of non-payment to the Board or, if Employer disputes in good faith Employee's rights to the Severance Benefits, within sixty (60) days following the final resolution of such dispute).

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area that is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Section 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event that either party commences legal action relating to the enforcement of the terms of Section 9, 10 or 11 of this Agreement, the prevailing

party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) A.M. Castle's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 have been, and will continue to be, developed by Employer and each of Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the assigns and successors of Employer by merger, consolidation or otherwise, and in the event of any business combination or transaction that results in the transfer of all or substantially all of the assets or business of Employer, Employer shall cause the transferee to assume the obligations of Employer under this Agreement. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Employer in respect of any actions or omissions as an employee, officer or director of Employer (or any successor thereof) to the fullest extent permitted by law. If Employee is also entitled to the benefits of indemnification under any separate agreement with Employer, such agreement is hereby reaffirmed and ratified, and this section shall be read as complimentary with and not in conflict with or substitution for such other indemnification agreement. Employer also agrees to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and to ensure that Employee, as a former

officer of Employer, is covered under such D&O insurance as may be purchased by Employer either as a going concern or in the form of a “tail” policy thereafter.

17. Entire Agreement. This Agreement (including Appendix “A” and Schedule 1, as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement on behalf of Employer, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Illinois (but no provision of Illinois law shall apply to cause the application of the law of a state or jurisdiction other than Illinois).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first-class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: A.M. Castle & Co.
 Attention: Board of Directors
 1420 Kensington Road, Suite 220
 Oak Brook, IL 60523
 Fax: (847) 455-0587

To Employee: Steven W. Scheinkman
 315 Meigs Road, Suite A
 Santa Barbara, California 93109

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Oak Brook, DuPage County, Illinois. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for DuPage County or in the United States District Court for the Northern District of Illinois, Eastern Division, Chicago Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a "specified employee" as defined in Section 409A, and one or more of the payments or benefits received or to be received by Employee upon such termination pursuant to this Agreement would constitute deferred compensation subject to Section 409A, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee's termination of employment with Employer and (b) Employee's death. The provisions of this Section 21 shall apply only to the extent required to avoid Employee's incurrence of any penalty tax or interest under Section 409A.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

A.M. CASTLE & CO.

By: /s/ Marec E. Edgar

Marec E. Edgar

Executive Vice President, General Counsel,
Secretary & Chief Administrative Officer

EMPLOYEE:

/s/ Steven W. Scheinkman

Steven W. Scheinkman

President & Chief Executive Officer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of May 15, 2017 (the “Commencement Date”), by and between A.M. Castle & Co., a Maryland corporation (the “Employer”), and Marec E. Edgar, a resident of Illinois (the “Employee”).

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Offer Letter dated March 6, 2014 by Employer to Employee, Severance Agreement dated April 8, 2014 by and between Employer and Employee, and Change in Control Agreement dated April 8, 2014 by and between Employer and Employee (in each case including any exhibits or attachments thereto and as heretofore modified, amended or supplemented, the “Existing Employment Agreement”);

WHEREAS, Employer and certain of its creditors are parties to a Restructuring Support Agreement dated as of even date herewith (the “RSA”) pursuant to which a financial restructuring of the existing debt and equity interests of Employer and its subsidiaries (the “Restructuring”) is to be undertaken;

WHEREAS, pursuant to the RSA, the Restructuring is to be implemented pursuant to a pre-packaged chapter 11 plan of reorganization (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and the Term Sheet, and including all exhibits thereto, the “Plan”), to be filed in voluntary cases commenced by Employer and its subsidiaries (collectively, the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware or pursuant to out-of-court proceedings on the same or substantially the same terms and conditions.

WHEREAS, in connection with the Restructuring, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of any subsidiary or affiliate of Employer.

2. Term. The term of employment under this Agreement shall commence on the Commencement Date and shall continue for three (3) years thereafter (such three-year period, the “Initial Term”) unless sooner terminated as contemplated herein; *provided, however*, that, unless sooner terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a “Renewal Date”), the then-existing term of this Agreement shall automatically be renewed one additional year (any such renewal term, an “Extension Period”) unless either party gives the other written notice of non-renewal not less than three hundred sixty-five days (365) days prior to the end of the Initial Term (or the Extension Period, as applicable). For the avoidance of doubt, notice of non-renewal of this Agreement given at any other time shall be void and ineffective. Written notice of non-renewal by Employer shall be solely pursuant to a duly adopted resolution of Employer’s board of directors (the “Board”). Upon the date of expiration of the term of this Agreement, Employee shall cease to be employed and shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 3, 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a base salary of \$425,000 per year during the Initial Term, or such other sums as the parties may mutually agree on from time to time, payable in accordance with Employer’s regular payroll practices as in effect from time to time with respect to all office employees of Employer, but no less frequently than monthly (“Base Salary”). The Board or, if the same is established, the human resources or compensation committee of the Board (the “Compensation Committee”) shall have the right to increase Employee’s Base Salary from time to time, and Employee shall be entitled to an annual or more frequent review thereof as determined by the Board, with the first such review to occur in the first calendar quarter of Employer’s 2018 fiscal year. Such increased Base Salary then shall become Employee’s “Base Salary” for purposes of this Agreement.

(b) The Board or Compensation Committee, in its good faith discretion, reasonably exercised, may, with respect to any year during the term hereof, award an incentive opportunity bonus or bonuses to Employee; *provided, however*, that Employer shall annually provide Employee with a short-term incentive plan (the “STIP”) to be determined by the Board or the Compensation Committee. Employee’s target payment under the STIP (the “Target STIP”) shall be seventy-five percent (75%) of Base Salary, and Employee’s maximum payment under the STIP shall be one hundred sixty eight and seventy-five hundredths percent (168.75%) of Base Salary, or such other amounts as may be approved by the Board or the Compensation Committee. The STIP shall be on the terms and conditions as determined by the Compensation Committee and established by written summary delivered to Employee no later than March 15 of the applicable year(s). The compensation provided for in this Section 3(b) shall be in addition to any pension, 401(k), or profit

sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

(c) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(d) Employee shall be entitled to such fringe benefits including, but not limited to, life, medical, disability, and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(e) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, Employee's service for any parent, subsidiary or affiliate of Employer or for any entity acquired by, or other predecessor of, Employer.

(f) Employer shall provide Employee with either (i) an Employer-leased vehicle, all costs (gas, insurance, maintenance, etc.) paid, or (ii) an auto allowance and a mobile telephone allowance during the term of the Agreement, as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(g) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(h) Restructuring Compensation

(i) Employee and Employer agree that, in addition to all other cash compensation specified herein, Employee shall be entitled to an additional cash award equal to seventy-three and thirty-five hundredths percent (73.35%) of his Base Salary (the "Restructuring Award") subject to Employee's continued employment by Employer on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, or if Section 3(h)(v) below applies, the effective date of the closing of the Sale During Restructuring (in either case such date, as applicable,

the “Restructuring Award Vesting Date”). The Restructuring Award shall be payable on the Restructuring Award Vesting Date.

(ii) Employee and Employer agree that, in connection with the Restructuring, Employer shall establish a customary management incentive plan (the “MIP”) under which officers and other key employees of Employer, including Employee, shall be eligible to receive, in the aggregate, (a) awards denominated or payable in shares of the new common stock of the restructured Employer and (b) New Notes (as defined in the RSA or the term sheet attached thereto) convertible into shares of the new common stock of the restructured Employer. The shares reserved under the MIP, whether granted directly under the MIP or issuable upon conversion of New Notes granted under the MIP (the “MIP Aggregate Equity”), shall be equal in the aggregate to ten percent (10%) of the equity of the restructured Employer as of the effective date of the Restructuring on a fully diluted basis (exclusive of any shares of new common stock issuable upon conversion of any New Notes issued to purchasers for new money in the Rights Offering (as defined in the RSA or the term sheet attached thereto) but including any shares of new common stock attributable to original issue discount or the Put Option Payment (as defined in the RSA or the term sheet attached thereto)). Employer and Employee agree that the MIP shall provide for a grant of sixty percent (60%) of the MIP Aggregate Equity (inclusive of the New Notes portion) on the effective date of the Restructuring (the “Initial 60% Award”) and that forty percent (40%) the MIP Aggregate Equity under the MIP shall be reserved for issuance in respect of awards to be granted pursuant to the MIP following the Restructuring, in the discretion of the Board (such reserved amount, plus any granted but unvested shares or New Notes that for any reason in accordance with the MIP are forfeited by MIP participants and returned to the MIP Aggregate Equity, the “Reserved 40%”). Upon a Change in Control, the Board shall allocate the full amount of any then-unallocated portion of the Reserved 40%; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee. Of the Initial 60% Award, Employee shall be entitled to an allocation to be determined by the Employer’s Chief Executive Officer, and the allocation to Employee with respect to the Reserved 40%, if any, shall be determined by the Board in its sole discretion.

(iii) Employee shall be entitled to receive Employee’s allocation of the Initial 60% Award on the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, in a pro rata combination of unvested shares of new common stock and New Notes, with such award to vest on the third (3rd) anniversary of the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such

anniversary, unless an earlier date for such vesting is otherwise provided for by the terms of this Agreement.

(iv) Employee shall be eligible to participate in such long-term incentive compensation plans that have been approved or may in the future be approved by the shareholders of Employer and administered by the Board.

(v) If a Sale During Restructuring shall occur, Employee shall receive on the closing date thereof in addition to any Restructuring Award, subject to Employee's continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such closing date, a cash payment in an amount equal to fifty-six hundredths of a percent (0.56%) of the gross proceeds of the Sale During Restructuring (net of transaction costs). The term "Sale During Restructuring" shall mean the sale of all or substantially all of the assets of Employer and its subsidiaries at any time after the Commencement Date or during the pendency of the Chapter 11 Cases concerning the Restructuring but before (or preventing) the effective date of the Restructuring.

(vi) For the avoidance of doubt, Employee hereby acknowledges and agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute a Change in Control (or term of similar import), as defined herein or in the Existing Employment Agreement.

(vii) For purposes of this Section 3(h), Employee shall be considered to have "continued employment" on a given date notwithstanding (a) Employee's death or termination by Employer due to disability on or before such date, (b) termination by Employee of his employment hereunder on or before such date for good reason, or (c) termination by Employer of Employee's employment hereunder on or before such date without good cause.

(i) If Employee's employment hereunder terminates effective at the end of the Initial Term or any Extension Period solely by reason of a non-renewal thereof in accordance with Section 2 hereof (and, for avoidance of doubt, not under any circumstances specified in Section 7 or 8 hereof), Employee shall be entitled to receive the compensation and benefits set forth in this Section 3(i).

(A) If such termination is by reason of a non-renewal by Employer, Employee shall be entitled to receive (i) all salary earned but not yet paid through the date of termination, and (ii) (x) any prior-year STIP compensation earned but not yet paid, and the prorated portion of any current year STIP compensation as and when determined in the ordinary course of the calculation of current year STIP award due to other executive officers of Employer, and (y) any and all options, rights or awards under the Reserved 40% that have been granted to, and that have not been forfeited by, Employee before the date of such

termination, if any, shall vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination.

(B) If such termination is by reason of a non-renewal by Employee, Employee shall be entitled to receive all salary earned but not yet paid through the date of termination.

4. Duties. Employee is engaged and shall serve as Executive Vice President, General Counsel, Secretary and Chief Administrative Officer of Employer and, as may be requested by Employer from time to time, any other direct or indirect subsidiaries of Employer that may be formed or acquired. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by Employer's Chief Executive Officer and consistent with the office of Executive Vice President, General Counsel, Secretary and Chief Administrative Officer. These services shall be provided from offices located in Oak Brook, Illinois, or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with *de minimis* personal matters.

(b) Employee shall be entitled to paid time off ("PTO") in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum amount of PTO afforded to any other officer of Employer, but no less than four (4) weeks per full calendar year worked, and that up to one (1) week of unused PTO in each year may be carried over to be used in the following year (in addition to the normal maximum allotment for such following year).

6. [Reserved]

7. Illness or Incapacity; Termination on Death or Permanent Disability.

(a) If during the term of this Agreement Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to Employee or his estate compensation

through the date of death or determination of permanent disability, including salary, any prior-year STIP compensation earned but not yet paid and the prorated portion of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for 90 days following the date of death or determination of permanent disability, provided that Employee and Employee's dependents, as applicable, shall continue to pay the active-employee contribution toward such benefits. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of death or termination on account of permanent disability shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of death or termination on account of permanent disability. Except for the benefits set forth in the preceding sentences and any life or disability insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health, life, or disability insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b) The terms "permanently disabled" and "permanent disability" as used in this Agreement shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) consecutive days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), or one hundred twenty (120) days in any twelve (12) month period, by reason of any physical or mental impairment. In the event that Employee becomes "permanently disabled," the Board may terminate Employee's employment under this Agreement upon written notice. If any determination with respect to "permanent disability" is disputed by Employee, Employee agrees to abide by the determination of a qualified, independent physician selected by Employer in good faith. Employee agrees to make himself available for and submit to examinations by such physician as may be reasonably directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

(c) All rights of Employee under this Agreement (other than rights already accrued) shall terminate upon Employee's permanent disability, although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time. For the avoidance of doubt, during any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement and does not result in Employee's permanent disability, Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any STIP compensation earned during such

period, less any benefits received by him under any disability insurance carried by or provided by Employer.

8. Terminations Other Than For Death or Disability.

(a) By Employee

(i) Employee may terminate his employment hereunder for any reason whatsoever other than “good reason” upon giving at least thirty (30) days’ prior written notice. In addition, Employee shall have the right to terminate his employment hereunder at any time for “good reason.” As used herein, “good reason” means the occurrence of any of the following: (1) the relocation of Employee’s office to a location outside the State of Illinois or more than fifty (50) miles from its present location, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, (3) a change in reporting structure of Employer where Employee is required to report to someone holding a title or position different from the title or position of the person to whom Employee was required to report on the Commencement Date, unless that person has been identified as the intended successor to the person to whom Employee reports on the Commencement Date, (4) any action or inaction that constitutes a material breach by Employer of this Agreement (other than with respect to any provision of this Agreement covered by any of clauses (1) through (3) of this definition of “good reason”), or (5) any Change in Control in connection with which (A) this Agreement is not assumed or continued by any purchaser, acquirer, controlling person or successor to Employer (an “Acquiror”) and (B) Employee is not offered employment by such Acquiror for the same or a substantially similar executive position and with the same or substantially similar compensation and other benefit opportunities in the aggregate, in each case as enjoyed by Employee immediately before the Change in Control (*provided, however*, that (i) if Employee receives gross aggregate proceeds (whether in cash or property) in excess of one million dollars (\$1,000,000) as a result of such Change in Control in respect of options, rights or awards under any of Employer’s incentive compensation plans (including shares held following the exercise of any option), with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control, the determination of whether Employee is offered “substantially similar compensation and other benefits opportunities” shall be made without regard to equity-based compensation opportunities, and (ii) if clause (i) does not apply, equity-based compensation opportunities offered by such Acquiror shall be deemed to be “substantially similar” to the equity-based compensation opportunities enjoyed by Employee immediately before the Change in Control if such equity-based compensation opportunities offered by Acquiror are on market-appropriate terms for a company of Employer’s size and industry). Notwithstanding the foregoing, Employee will not have “good reason” to terminate his employment unless (i) he provides the Board

with a written notice detailing the specific circumstances alleged to constitute “good reason” within ninety (90) days after Employee first learns (or should have learned) of the first occurrence of such circumstances, (ii) Employer is given a period of thirty (30) days following receipt of such written notice to cure the applicable “good reason” condition, if susceptible to cure, and (iii) Employee actually terminates employment within thirty (30) days following the expiration of Employer’s thirty (30) day cure period described above. For the avoidance of doubt, Employee agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute “good reason” hereunder or under the Existing Employment Agreement, and Employee hereby waives any right to claim “good reason” solely by virtue of consummation thereof.

(ii) If Employee gives notice to terminate his employment without “good reason” pursuant to the first sentence of Section 8(a)(i) above, Employer shall have the right to waive all or any portion of the required notice period, and terminate Employee’s employment early, without re-characterizing such termination as a voluntary termination by Employee without “good reason”; *provided, however*, that notwithstanding such early termination, Employee shall remain entitled to payment of compensation and all other benefits to which Employee would have been entitled hereunder in respect of such notice period in the absence of such early termination.

(iii) If Employee terminates his employment hereunder with “good reason” effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then (a) any and all options, rights or awards under any of Employer’s incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such termination shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination; (b) Employee shall receive a cash severance amount (the “Cash Severance”) equal to the product of (x) Employee’s Applicable Base and (y) one and one-half (1.5) (the “Severance Multiple”), such Cash Severance (in all circumstances contemplated under this Agreement) to be paid:

(1) sixty-five percent (65%) upon the next regular payroll date of Employer following the effectiveness of the Release (as defined below) and the remaining thirty-five percent (35%) in equal monthly installments for six (6) months beginning on the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of termination, *except* that in the event of a Qualifying Change in Control (as defined below) occurring prior to any scheduled payment date for such deferred payments, such deferred payments shall be paid in full in a single lump sum on the later of (x) the closing date of such Qualifying

Change in Control and (y) the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of the termination; or

(2) in the case of a termination upon or within twenty-four (24) months following a Qualifying Change in Control, in a single lump-sum payment on the effective date of the termination.

(c) subject to Employee's timely election and COBRA continuation of health insurance continuation coverage under Employer's applicable benefit plans, a monthly cash reimbursement, for the period of eighteen (18) months following the termination of the Agreement (or if earlier, until Employee ceases enrollment in such continuation coverage), of the portion of Employee's cost of COBRA premiums that is in excess of the active-employee cost of such coverage (which active-employee cost shall be the responsibility of Employee), with such monthly cost-reimbursement being paid by Employer directly to the coverage provider in accordance with Employer's past practices; (d) Employee shall continue to receive the perquisites specified in Section 3(f) for the period of one (1) year following the termination of the Agreement (*provided, however*, that if such perquisites are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the reasonable cost of providing equivalent perquisites); and (e) the prorated portion, up to and including the termination date, of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executives of Employer. The benefits described in clauses (a) through (e) above shall be referred to herein as the "Severance Benefits." For the avoidance of doubt, to the extent that any of the Severance Benefits (in relation to any form of termination of employment under this Agreement) are deferred and not paid in full to Employee on the effective date of his termination, and Employee should later die prior to receiving such deferred Severance Benefits, any outstanding Severance Benefits due and owing to Employee at the time of his death shall be paid in full in a single lump sum to Employee's estate upon presentation to Employer of a certified death certificate. As used herein, the term "Qualifying Change in Control" means a Change in Control (as defined below) that constitutes a change in the ownership or effective control of Employer, or in the ownership of a substantial portion of the assets of Employer, in either case within the meaning of Section 409A (as defined below).

For purposes of this Agreement, the "Applicable Base" shall be the sum of (a) the annual rate of Employee's Base Salary pursuant to Section 3(a) in effect at the time of termination of employment (but no less than such rate of such Base Salary as of the Commencement Date) and (b) the amount of Employee's Target STIP award for the year in which the termination occurs (but no less than the amount of such Target STIP for the year in which the Commencement Date occurs).

(b) By Employer for Good Cause

(i) Employer may terminate the employment of Employee hereunder for "good cause" (as defined below) immediately upon written notice.

(ii) As used herein, “good cause” shall mean:

(1) Employee’s conviction of, or entry of a plea of guilty or “nolo contendere” to, either (x) a felony or (y) any other crime that has, or could be reasonably expected to have, a materially adverse impact on the performance of Employee’s duties to Employer or otherwise result in material injury to the reputation or business of Employer;

(2) Employee’s engaging in criminal misconduct involving moral turpitude if, as a result, in the reasonable judgement of Employer, Employee’s credibility and reputation no longer conform to the standard required of Employer’s executives;

(3) Employee’s willful failure to take actions permitted by law and necessary to implement Employer’s policies that the Board (or Employee’s direct supervisor) has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee’s willful and continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board (or Employee’s direct supervisor) to Employee of such failure; or

(5) Employee’s willful breach of any material provision of this Agreement.

With respect to clauses (2) through (5) above, such circumstances shall not constitute “good cause” unless Employee has failed to cure such circumstances within thirty (30) days following written notice thereof from Employer identifying in reasonable detail such circumstances constituting “good cause”; *provided*, that during such cure period Employee shall not be entitled to any compensation hereunder other than continued payment of Base Salary and benefits pursuant to Section 3(d) and Section 3(f), and upon Employee’s failure to cure, the termination of employment shall be deemed effective as of the date of Employer’s delivery of written notice of termination for “good cause.” For purposes of this Agreement, no act or failure to act on Employee’s part shall be considered “willful” unless it is done, or omitted to be done, by him in bad faith or without reasonable belief that his action or omission was in the best interests of Employer. Any act or failure to act pursuant to express authority given by resolution duly adopted by the Board or pursuant to the advice of legal counsel for Employer or any of its subsidiaries (other than in-house legal

counsel) shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of Employer.

(iii) Termination of the employment of Employee by Employer (other than by reason of any non-renewal of employment in accordance with Section 2 or by reason of Employee's death or permanent disability in accordance with Section 7) shall, unless such termination is for a reason expressly specified in this Agreement as good cause, be deemed to be a termination of employment by Employer "without good cause."

(c) By Employer Without Good Cause

(i) Employer may terminate the employment of Employee hereunder without "good cause" immediately upon written notice. If Employer shall terminate the employment of Employee without "good cause" (other than due to permanent disability) effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then Employee shall be entitled to receive the Severance Benefits.

(ii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without "good cause," the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without "good cause," and Employer agrees that Employee shall not be required to mitigate his damages.

(d) Change in Control

(i) If a Change in Control of Employer shall occur, then (a) the Board shall grant and allocate the full amount of any then-ungranted or unallocated portion of the Reserved 40% no later than immediately before the date of such Change in Control; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee; and (b) any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such Change in Control (including, for the avoidance of doubt, any awards granted or allocated in accordance with the preceding clause (a) of this Section 8(d)(i)) shall be deemed to have vested in full as of immediately before the date of such Change in Control.

(ii) If the employment of Employee is terminated "in connection with a Change in Control" (as defined below), then, for purposes of determining the Severance Benefits, (I) the Severance Multiple shall be two times (2.0x) and (II) the period of COBRA

premium reimbursement under clause (d) of Section 8(a)(iii) above shall be two (2) years. Notwithstanding the foregoing sentence or anything to the contrary in Section 8(a)(iii), if the employment of Employee is terminated in connection with a Change in Control, the Severance Benefits payable to Employee as a result thereof shall, to the extent (and only to the extent) that the pre-tax value of all Cash Severance (as such term is used herein and in each other Covered Executive's respective employment agreement with Employer, as in effect from time to time) and payment of prorated STIP under section 8(a)(iii)(e) (or under the analogous provision in each other Covered Executive's respective employment agreement with Employer, as in effect from time to time) (and, for the avoidance of doubt, excluding all other severance benefits) payable to all Covered Executives as a result of terminations of employment within thirty (30) days before or after such Change in Control (the "Aggregate Change in Control Severance") exceeds \$4.0 million, Employee's Severance Benefits shall be reduced, dollar-for-dollar, by an amount equal to the pre-tax value of the share of the Aggregate MIP Value received by Employee in respect of his options, rights or awards under Employer's incentive compensation plans, including shares held following the exercise of any option); *provided, however*, that (a) the amount of such reduction shall not exceed Employee's pro rata share of \$3.2 million (pro rata by reference to Employee's share of the Aggregate MIP Value received by all Covered Employees); and (b) Employee's Severance Benefits shall not be reduced below Employee's pro rata share of \$4.0 million (pro rata by reference to the Executive's share of the aggregate Change in Control Severance with respect to such Change in Control). For purposes of this Section 8 (d)(ii):

(1) A termination of employment shall be deemed to be "in connection with a Change in Control" (A) if Employer terminates the employment of Employee hereunder without "good cause" (other than due to permanent disability) either on the effective date of a Change in Control, or in anticipation of or preparation for a reasonably expected and specific Change in Control (as determined by the Board in good faith), or (B) if, within twenty-four (24) months following a Change in Control, either Employer terminates the employment of Employee hereunder without "good cause" (other than due to permanent disability) or Employee terminates his employment hereunder with "good reason."

(2) The value of severance benefits to any Covered Executive shall be determined by the Board in good faith, without discounting for present value, and with the value of any non-cash components of such benefits being determined at fair market value as of the date of such Change in Control.

(3) The term "Aggregate MIP Value" means, with respect to any Change in Control, the aggregate pre-tax value of the proceeds (whether in cash or

property) received by all of the Covered Executives as a result of such Change in Control in respect of options, rights or awards under any of Employer's incentive compensation plans (including shares held following the exercise of any option) and held by such Covered Executives, with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control.

(4) The term "Covered Executives" means each of Employer's employees listed on Schedule 2 attached hereto.

(iii) The term "Change in Control" shall mean any of the following that occurs after the Commencement Date:

(1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, including the regulations and other applicable authorities thereunder (the "Exchange Act")) ("Person"), other than any Designated Holder (as defined below) or Designated Holders acting as a group, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) ("Beneficial Owner"), directly or indirectly, of securities of Employer (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of Employer's then-outstanding voting securities entitled to vote generally in the election of directors;

(2) members of the Incumbent Board cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the consummation of the Restructuring whose election, or nomination for election by Employer's stockholders, was approved by a vote of at least a majority of the directors then constituting the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board (with the term "Incumbent Board" to mean the members of the Board as of immediately following the consummation of the Restructuring);

(3) approval by the shareholders of Employer of a complete dissolution or liquidation of Employer;

(4) any sale or disposition to a Person of all or substantially all of the assets of Employer (including by way of merger of any direct or indirect subsidiary of Employer with any other corporation or entity); and

(5) there is consummated a merger or consolidation of Employer, other than (A) a merger or consolidation immediately following which the individuals who constitute the Incumbent Board immediately prior thereto constitute at least a majority of the board of directors of Employer, the entity surviving such merger or consolidation, or, if Employer or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, (B) a merger or consolidation (or similar transaction) following which no Person is or becomes a Beneficial Owner, directly or indirectly, of securities of Employer or the entity surviving such merger or consolidation (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation (other than a Person that was, prior to such merger or consolidation (or similar transaction) a Beneficial Owner, directly or indirectly, of securities of Employer representing forty percent (40%) or more of the combined voting power of Employer's then-outstanding securities), or (C) a merger or consolidation (or similar transaction) following which the individuals and entities that were the Beneficial Owners of the outstanding voting securities of Employer remain direct or indirect Beneficial Owners of forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation.

As used herein, the term "Designated Holder" means any of the following, or any of their respective controlled affiliates, or any fund or account managed, advised or controlled by any of the following or any of their respective controlled affiliates: Highbridge Capital Management, LLC, Wolverine Asset Management, LLC, Corre Partners Management, LLC, Whitebox Advisors LLC, and SGF, Inc.

(e) If the employment of Employee is terminated for "good cause" or if Employee voluntarily terminates his employment without "good reason," Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination and shall provide such benefits as are required by applicable law or the terms of relevant benefit plans of Employer; *provided*, that for purposes of this sentence, any unpaid prior-year STIP shall be forfeited as of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement.

(f) Employer's obligations to provide the Severance Benefits or any benefits pursuant to clause (ii) of Section 3(i)(A) above shall be conditioned upon Employee's timely execution, delivery to Employer, and non-revocation of the release of claims substantially in the form attached hereto as Appendix A (the "Release"), and the expiration of the period (if any) during which the Release can be revoked within the fifty-five (55) day period following Employee's date of termination; *provided*, that, if such fifty-five (55) day period spans two (2) calendar years, no Severance Benefits that would constitute non-qualified deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such fifty-five (55) day period but for this sentence being made promptly following such fifty-five (55) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all, and will not use for his own benefit or otherwise misappropriate any, ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to A.M. Castle's Business (as defined below), whether acquired by Employee before or during his employment by Employer. Employee acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, and similar or related information (whether or not patentable) that relate to the actual or anticipated business, research and development, or existing or future products or services of Employer and that are conceived, developed, or made by Employee while employed by Employer ("Work Product") belong to Employer. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" as such term is defined in 17 U.S.C. Section 101, and ownership of all right, title, and interest therein shall vest in Employer. To the extent that any Work Product is not deemed a "work made for hire" under applicable law, or all right, title, and interest in and to such Work Product has not automatically vested in Employer, Employee hereby irrevocably assigns, transfers, and conveys, to the full extent permitted by applicable law, all right, title, and interest in and to the Work Product on a worldwide basis to Employer without further consideration. Employee will promptly disclose such Work Product to Employer and perform all actions requested by Employer (whether during or after employment) to establish and confirm such ownership (including without limitation, assignments, consents, powers of attorney, and other instruments). Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets; Non-Disparagement.

(a) For purposes of this Agreement, the term “A.M. Castle’s Business” shall mean any business in which Employer or any of its subsidiaries is engaged, including, without limitation, the business of distributing specialty metals to customers within the producer durable equipment, aerospace, heavy industrial equipment, industrial goods, construction equipment, oil and gas, and retail sectors in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets, which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee’s employment with Employer. “Confidential Information and Trade Secrets” includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer) that is not generally known to persons who are not employees of Employer, and that Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. “Confidential Information and Trade Secrets” may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as “Confidential” by Employer.

(b) “Confidential Information and Trade Secrets” includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity that has purchased, contracted, hired, or chartered equipment, vehicles, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding A.M. Castle’s Business, or to which Employer has made a proposal with respect to A.M. Castle’s Business (such person or entity being hereinafter referred to as “Customer” or “Customers”);

(iii) Names and other information about Employer’s employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer’s contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with A.M. Castle's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records that contain, reflect or describe any Confidential Information and Trade Secrets belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor.

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect at all times during and after the termination of Employer's employment. Employee will abide by all

rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer. Notwithstanding the foregoing, Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Employee files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Employee may disclose Employer's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

(e) Employee agrees that at no time during or following his employment with Employer shall he make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employer or any of its affiliates, or any of its or their respective current or former shareholders, directors, officers, or employees in any respect. Employer agrees to use reasonable efforts to instruct each of its directors and officers to, at no time during or following Employee's employment with Employer, make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employee in any respect.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (x) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (y) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (x) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning A.M. Castle's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of A.M. Castle's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets

regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and to continue to perform, Employee's duties under this Agreement. In addition, Employer agrees to provide, and to continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure that Employee can perform Employee's duties hereunder and participate in A.M. Castle's Business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities, within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area during the Restricted Period. For purposes of this Agreement, the "Restricted Period" shall mean the term of Employee's employment with Employer, including the Initial Term and any Extension Period, and thereafter until the later of (A) the expiration of the eighteen (18) month period following the termination of such employment or (B) if such employment is terminated pursuant to Section 8(d)(ii) or Section 8(d)(iii) of this Agreement, the expiration of the two (2) year period following the termination of such employment (the "Restricted Period"), *provided, however*, that the foregoing shall not prohibit or restrict Employee from engaging in the practice of law.

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or being connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in, any person, entity or business that is engaged in A.M. Castle's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of Employee's employment with Employer, his employment by a law firm, a certified public accounting firm, or a commercial

or investment bank that may have as a client or customer: (A) a Restricted Enterprise or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Restricted Enterprise or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with A.M. Castle's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or provision of any equipment, services, or products that constitute any part of A.M. Castle's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 10, no provision of this Agreement shall prohibit (i) Employee's continued consulting positions, officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on April 1, 2017, and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on April 1, 2017, or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the world.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and to continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and to continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants. Notwithstanding the foregoing, Employee's non-competition restrictions under this Agreement shall be void *ab initio* to the extent that the Severance Benefits are owed to Employee pursuant to Section 8 above and are not actually paid to Employee at the time scheduled for payment thereof in accordance with this Agreement (subject to Employer's right to cure any non-payment within sixty (60) days following Employee's written notice of non-payment to the Board or, if Employer disputes in good faith Employee's rights to the Severance Benefits, within sixty (60) days following the final resolution of such dispute).

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area that is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Section 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event that either party commences legal action relating to the enforcement of the terms of Section 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not

conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) A.M. Castle's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 have been, and will continue to be, developed by Employer and each of Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the assigns and successors of Employer by merger, consolidation or otherwise, and in the event of any business combination or transaction that results in the transfer of all or substantially all of the assets or business of Employer, Employer shall cause the transferee to assume the obligations of Employer under this Agreement. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Employer in respect of any actions or omissions as an employee, officer or director of Employer (or any successor thereof) to the fullest extent permitted by law. If Employee is also entitled to the benefits of indemnification under any separate agreement with Employer, such agreement is hereby reaffirmed and ratified, and this section shall be read as complimentary with and not in conflict with or substitution for such other indemnification agreement. Employer also agrees to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and to ensure that Employee, as a former officer of Employer, is covered under such D&O insurance as may be purchased by Employer either as a going concern or in the form of a "tail" policy thereafter.

17. Entire Agreement. This Agreement (including Appendix "A" and Schedule 1, as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by

an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement on behalf of Employer, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Illinois (but no provision of Illinois law shall apply to cause the application of the law of a state or jurisdiction other than Illinois).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first-class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: A.M. Castle & Co.
Attention: Board of Directors
1420 Kensington Road, Suite 220
Oak Brook, IL 60523
Fax: (847) 455-0587

To Employee: Marec E. Edgar
8805 Carlisle Court
Darien, IL 60561

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Oak Brook, DuPage County, Illinois. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for DuPage County or in the United States District Court for the Northern District of Illinois, Eastern Division, Chicago Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a "specified employee" as defined in Section 409A, and one or more of the payments or benefits received or to be received by Employee upon such termination pursuant to this Agreement would constitute deferred compensation subject to Section 409A, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee's termination of employment with Employer and (b) Employee's death. The provisions of this Section 21 shall apply only to the extent required to avoid Employee's incurrance of any penalty tax or interest under Section 409A.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

A.M. CASTLE & CO.

By: /s/ Steven W. Scheinkman
Steven W. Scheinkman
President & Chief Executive Officer

EMPLOYEE:

/s/ Marec E. Edgar
Marec E. Edgar man
Executive Vice President, General Counsel,
Secretary & Chief Administrative Officer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of May 15, 2017 (the “Commencement Date”), by and between A.M. Castle & Co., a Maryland corporation (the “Employer”), and Patrick R. Anderson, a resident of Illinois (the “Employee”).

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Change in Control Agreement dated September 15, 2010 by and between Employer and Employee, Severance Agreement dated December 22, 2010 by and between Employer and Employee, and Interim CFO Letter dated September 25, 2014 by Employer to Employee (in each case including any exhibits or attachments thereto and as heretofore modified, amended or supplemented, the “Existing Employment Agreement”);

WHEREAS, Employer and certain of its creditors are parties to a Restructuring Support Agreement dated as of even date herewith (the “RSA”) pursuant to which a financial restructuring of the existing debt and equity interests of Employer and its subsidiaries (the “Restructuring”) is to be undertaken;

WHEREAS, pursuant to the RSA, the Restructuring is to be implemented pursuant to a pre-packaged chapter 11 plan of reorganization (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and the Term Sheet, and including all exhibits thereto, the “Plan”), to be filed in voluntary cases commenced by Employer and its subsidiaries (collectively, the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware or pursuant to out-of-court proceedings on the same or substantially the same terms and conditions.

WHEREAS, in connection with the Restructuring, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of any subsidiary or affiliate of Employer.

2. Term. The term of employment under this Agreement shall commence on the Commencement Date and shall continue for three (3) years thereafter (such three-year period, the “Initial Term”) unless sooner terminated as contemplated herein; *provided, however*, that, unless sooner terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a “Renewal Date”), the then-existing term of this Agreement shall automatically be renewed one additional year (any such renewal term, an “Extension Period”) unless either party gives the other written notice of non-renewal not less than three hundred sixty-five days (365) days prior to the end of the Initial Term (or the Extension Period, as applicable). For the avoidance of doubt, notice of non-renewal of this Agreement given at any other time shall be void and ineffective. Written notice of non-renewal by Employer shall be solely pursuant to a duly adopted resolution of Employer’s board of directors (the “Board”). Upon the date of expiration of the term of this Agreement, Employee shall cease to be employed and shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 3, 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a base salary of \$300,000 per year during the Initial Term, or such other sums as the parties may mutually agree on from time to time, payable in accordance with Employer’s regular payroll practices as in effect from time to time with respect to all office employees of Employer, but no less frequently than monthly (“Base Salary”). The Board or, if the same is established, the human resources or compensation committee of the Board (the “Compensation Committee”) shall have the right to increase Employee’s Base Salary from time to time, and Employee shall be entitled to an annual or more frequent review thereof as determined by the Board, with the first such review to occur in the first calendar quarter of Employer’s 2018 fiscal year. Such increased Base Salary then shall become Employee’s “Base Salary” for purposes of this Agreement.

(b) The Board or Compensation Committee, in its good faith discretion, reasonably exercised, may, with respect to any year during the term hereof, award an incentive opportunity bonus or bonuses to Employee; *provided, however*, that Employer shall annually provide Employee with a short-term incentive plan (the “STIP”) to be determined by the Board or the Compensation Committee. Employee’s target payment under the STIP (the “Target STIP”) shall be seventy-five percent (75%) of Base Salary, and Employee’s maximum payment under the STIP shall be one hundred sixty-eight and seventy-five hundredths percent (168.75%) of Base Salary, or such other amounts as may be approved by the Board or the Compensation Committee. The STIP shall be on the terms and conditions as determined by the Compensation Committee and established by written summary delivered to Employee no later than March 15 of the applicable year(s). The compensation provided for in this Section 3(b) shall be in addition to any pension, 401(k), or profit

sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

(c) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(d) Employee shall be entitled to such fringe benefits including, but not limited to, life, medical, disability, and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(e) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, Employee's service for any parent, subsidiary or affiliate of Employer or for any entity acquired by, or other predecessor of, Employer.

(f) Employer shall provide Employee with either (i) an Employer-leased vehicle, all costs (gas, insurance, maintenance, etc.) paid, or (ii) an auto allowance and a mobile telephone allowance during the term of the Agreement, as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(g) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(h) Restructuring Compensation

(i) Employee and Employer agree that, in addition to all other cash compensation specified herein, Employee shall be entitled to an additional cash award equal to seventy-three and thirty-five hundredths percent (73.35%) of his Base Salary (the "Restructuring Award") subject to Employee's continued employment by Employer on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, or if Section 3(h)(v) below applies, the effective date of the closing of the Sale During Restructuring (in either case such date, as applicable,

the “Restructuring Award Vesting Date”). The Restructuring Award shall be payable on the Restructuring Award Vesting Date.

(ii) Employee and Employer agree that, in connection with the Restructuring, Employer shall establish a customary management incentive plan (the “MIP”) under which officers and other key employees of Employer, including Employee, shall be eligible to receive, in the aggregate, (a) awards denominated or payable in shares of the new common stock of the restructured Employer and (b) New Notes (as defined in the RSA or the term sheet attached thereto) convertible into shares of the new common stock of the restructured Employer. The shares reserved under the MIP, whether granted directly under the MIP or issuable upon conversion of New Notes granted under the MIP (the “MIP Aggregate Equity”), shall be equal in the aggregate to ten percent (10%) of the equity of the restructured Employer as of the effective date of the Restructuring on a fully diluted basis (exclusive of any shares of new common stock issuable upon conversion of any New Notes issued to purchasers for new money in the Rights Offering (as defined in the RSA or the term sheet attached thereto) but including any shares of new common stock attributable to original issue discount or the Put Option Payment (as defined in the RSA or the term sheet attached thereto)). Employer and Employee agree that the MIP shall provide for a grant of sixty percent (60%) of the MIP Aggregate Equity (inclusive of the New Notes portion) on the effective date of the Restructuring (the “Initial 60% Award”) and that forty percent (40%) the MIP Aggregate Equity under the MIP shall be reserved for issuance in respect of awards to be granted pursuant to the MIP following the Restructuring, in the discretion of the Board (such reserved amount, plus any granted but unvested shares or New Notes that for any reason in accordance with the MIP are forfeited by MIP participants and returned to the MIP Aggregate Equity, the “Reserved 40%”). Upon a Change in Control, the Board shall allocate the full amount of any then-unallocated portion of the Reserved 40%; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee. Of the Initial 60% Award, Employee shall be entitled to an allocation to be determined by the Employer’s Chief Executive Officer, and the allocation to Employee with respect to the Reserved 40%, if any, shall be determined by the Board in its sole discretion.

(iii) Employee shall be entitled to receive Employee’s allocation of the Initial 60% Award on the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, in a pro rata combination of unvested shares of new common stock and New Notes, with such award to vest on the third (3rd) anniversary of the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such

anniversary, unless an earlier date for such vesting is otherwise provided for by the terms of this Agreement.

(iv) Employee shall be eligible to participate in such long-term incentive compensation plans that have been approved or may in the future be approved by the shareholders of Employer and administered by the Board.

(v) If a Sale During Restructuring shall occur, Employee shall receive on the closing date thereof in addition to any Restructuring Award, subject to Employee's continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such closing date, a cash payment in an amount equal to fifty-six hundredths of a percent (0.56%) of the gross proceeds of the Sale During Restructuring (net of transaction costs). The term "Sale During Restructuring" shall mean the sale of all or substantially all of the assets of Employer and its subsidiaries at any time after the Commencement Date or during the pendency of the Chapter 11 Cases concerning the Restructuring but before (or preventing) the effective date of the Restructuring.

(vi) For the avoidance of doubt, Employee hereby acknowledges and agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute a Change in Control (or term of similar import), as defined herein or in the Existing Employment Agreement.

(vii) For purposes of this Section 3(h), Employee shall be considered to have "continued employment" on a given date notwithstanding (a) Employee's death or termination by Employer due to disability on or before such date, (b) termination by Employee of his employment hereunder on or before such date for good reason, or (c) termination by Employer of Employee's employment hereunder on or before such date without good cause.

(i) If Employee's employment hereunder terminates effective at the end of the Initial Term or any Extension Period solely by reason of a non-renewal thereof in accordance with Section 2 hereof (and, for avoidance of doubt, not under any circumstances specified in Section 7 or 8 hereof), Employee shall be entitled to receive the compensation and benefits set forth in this Section 3(i).

(A) If such termination is by reason of a non-renewal by Employer, Employee shall be entitled to receive (i) all salary earned but not yet paid through the date of termination, and (ii) (x) any prior-year STIP compensation earned but not yet paid, and the prorated portion of any current year STIP compensation as and when determined in the ordinary course of the calculation of current year STIP award due to other executive officers of Employer, and (y) any and all options, rights or awards under the Reserved 40% that have been granted to, and that have not been forfeited by, Employee before the date of such

termination, if any, shall vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination.

(B) If such termination is by reason of a non-renewal by Employee, Employee shall be entitled to receive all salary earned but not yet paid through the date of termination.

4. Duties. Employee is engaged and shall serve as the Executive Vice President and Chief Financial Officer of Employer and, as may be requested by Employer from time to time, any other direct or indirect subsidiaries of Employer that may be formed or acquired. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by Employer's Chief Executive Officer and consistent with the office of Executive Vice President and Chief Financial Officer. These services shall be provided from offices located in Oak Brook, Illinois, or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with *de minimis* personal matters.

(b) Employee shall be entitled to paid time off ("PTO") in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum amount of PTO afforded to any other officer of Employer, but no less than four (4) weeks per full calendar year worked, and that up to one (1) week of unused PTO in each year may be carried over to be used in the following year (in addition to the normal maximum allotment for such following year).

6. [Reserved]

7. Illness or Incapacity; Termination on Death or Permanent Disability.

(a) If during the term of this Agreement Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior-year

STIP compensation earned but not yet paid and the prorated portion of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for 90 days following the date of death or determination of permanent disability, provided that Employee and Employee's dependents, as applicable, shall continue to pay the active-employee contribution toward such benefits. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of death or termination on account of permanent disability shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of death or termination on account of permanent disability. Except for the benefits set forth in the preceding sentences and any life or disability insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health, life, or disability insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b) The terms "permanently disabled" and "permanent disability" as used in this Agreement shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) consecutive days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), or one hundred twenty (120) days in any twelve (12) month period, by reason of any physical or mental impairment. In the event that Employee becomes "permanently disabled," the Board may terminate Employee's employment under this Agreement upon written notice. If any determination with respect to "permanent disability" is disputed by Employee, Employee agrees to abide by the determination of a qualified, independent physician selected by Employer in good faith. Employee agrees to make himself available for and submit to examinations by such physician as may be reasonably directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

(c) All rights of Employee under this Agreement (other than rights already accrued) shall terminate upon Employee's permanent disability, although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time. For the avoidance of doubt, during any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement and does not result in Employee's permanent disability, Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any STIP compensation earned during such period, less any benefits received by him under any disability insurance carried by or provided by Employer.

8. Terminations Other Than For Death or Disability.

(a) By Employee

(i) Employee may terminate his employment hereunder for any reason whatsoever other than “good reason” upon giving at least thirty (30) days’ prior written notice. In addition, Employee shall have the right to terminate his employment hereunder at any time for “good reason.” As used herein, “good reason” means the occurrence of any of the following: (1) the relocation of Employee’s office to a location outside the State of Illinois or more than fifty (50) miles from its present location, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, (3) a change in reporting structure of Employer where Employee is required to report to someone holding a title or position different from the title or position of the person to whom Employee was required to report on the Commencement Date, unless that person has been identified as the intended successor to the person to whom Employee reports on the Commencement Date, (4) any action or inaction that constitutes a material breach by Employer of this Agreement (other than with respect to any provision of this Agreement covered by any of clauses (1) through (3) of this definition of “good reason”), or (5) any Change in Control in connection with which (A) this Agreement is not assumed or continued by any purchaser, acquirer, controlling person or successor to Employer (an “Acquiror”) and (B) Employee is not offered employment by such Acquiror for the same or a substantially similar executive position and with the same or substantially similar compensation and other benefit opportunities in the aggregate, in each case as enjoyed by Employee immediately before the Change in Control (*provided, however*, that (i) if Employee receives gross aggregate proceeds (whether in cash or property) in excess of one million dollars (\$1,000,000) as a result of such Change in Control in respect of options, rights or awards under any of Employer’s incentive compensation plans (including shares held following the exercise of any option), with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control, the determination of whether Employee is offered “substantially similar compensation and other benefits opportunities” shall be made without regard to equity-based compensation opportunities, and (ii) if clause (i) does not apply, equity-based compensation opportunities offered by such Acquiror shall be deemed to be “substantially similar” to the equity-based compensation opportunities enjoyed by Employee immediately before the Change in Control if such equity-based compensation opportunities offered by Acquiror are on market-appropriate terms for a company of Employer’s size and industry). Notwithstanding the foregoing, Employee will not have “good reason” to terminate his employment unless (i) he provides the Board with a written notice detailing the specific circumstances alleged to constitute “good reason” within ninety (90) days after Employee first learns (or should have learned) of the first occurrence of such circumstances, (ii) Employer is given a period of thirty (30) days

following receipt of such written notice to cure the applicable “good reason” condition, if susceptible to cure, and (iii) Employee actually terminates employment within thirty (30) days following the expiration of Employer’s thirty (30) day cure period described above. For the avoidance of doubt, Employee agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute “good reason” hereunder or under the Existing Employment Agreement, and Employee hereby waives any right to claim “good reason” solely by virtue of consummation thereof.

(ii) If Employee gives notice to terminate his employment without “good reason” pursuant to the first sentence of Section 8(a)(i) above, Employer shall have the right to waive all or any portion of the required notice period, and terminate Employee’s employment early, without re-characterizing such termination as a voluntary termination by Employee without “good reason”; *provided, however*, that notwithstanding such early termination, Employee shall remain entitled to payment of compensation and all other benefits to which Employee would have been entitled hereunder in respect of such notice period in the absence of such early termination.

(iii) If Employee terminates his employment hereunder with “good reason” effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then (a) any and all options, rights or awards under any of Employer’s incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such termination shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination; (b) Employee shall receive a cash severance amount (the “Cash Severance”) equal to the product of (x) Employee’s Applicable Base and (y) one and one-half (1.5) (the “Severance Multiple”), such Cash Severance (in all circumstances contemplated under this Agreement) to be paid:

(1) sixty-five percent (65%) upon the next regular payroll date of Employer following the effectiveness of the Release (as defined below) and the remaining thirty-five percent (35%) in equal monthly installments for six (6) months beginning on the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of termination, *except* that in the event of a Qualifying Change in Control (as defined below) occurring prior to any scheduled payment date for such deferred payments, such deferred payments shall be paid in full in a single lump sum on the later of (x) the closing date of such Qualifying Change in Control and (y) the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of the termination; or

(2) in the case of a termination upon or within twenty-four (24) months following a Qualifying Change in Control, in a single lump-sum payment on the effective date of the termination.

(c) subject to Employee's timely election and COBRA continuation of health insurance continuation coverage under Employer's applicable benefit plans, a monthly cash reimbursement, for the period of eighteen (18) months following the termination of the Agreement (or if earlier, until Employee ceases enrollment in such continuation coverage), of the portion of Employee's cost of COBRA premiums that is in excess of the active-employee cost of such coverage (which active-employee cost shall be the responsibility of Employee), with such monthly cost-reimbursement being paid by Employer directly to the coverage provider in accordance with Employer's past practices; (d) Employee shall continue to receive the perquisites specified in Section 3(f) for the period of one (1) year following the termination of the Agreement (*provided, however*, that if such perquisites are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the reasonable cost of providing equivalent perquisites); and (e) the prorated portion, up to and including the termination date, of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executives of Employer. The benefits described in clauses (a) through (e) above shall be referred to herein as the "Severance Benefits." For the avoidance of doubt, to the extent that any of the Severance Benefits (in relation to any form of termination of employment under this Agreement) are deferred and not paid in full to Employee on the effective date of his termination, and Employee should later die prior to receiving such deferred Severance Benefits, any outstanding Severance Benefits due and owing to Employee at the time of his death shall be paid in full in a single lump sum to Employee's estate upon presentation to Employer of a certified death certificate. As used herein, the term "Qualifying Change in Control" means a Change in Control (as defined below) that constitutes a change in the ownership or effective control of Employer, or in the ownership of a substantial portion of the assets of Employer, in either case within the meaning of Section 409A (as defined below).

For purposes of this Agreement, the "Applicable Base" shall be the sum of (a) the annual rate of Employee's Base Salary pursuant to Section 3(a) in effect at the time of termination of employment (but no less than such rate of such Base Salary as of the Commencement Date) and (b) the amount of Employee's Target STIP award for the year in which the termination occurs (but no less than the amount of such Target STIP for the year in which the Commencement Date occurs).

(b) By Employer for Good Cause

(i) Employer may terminate the employment of Employee hereunder for "good cause" (as defined below) immediately upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of, or entry of a plea of guilty or "nolo contendere" to, either (x) a felony or (y) any other crime that has, or could be reasonably expected to have, a materially adverse impact on the performance of Employee's duties to Employer or otherwise result in material injury to the reputation or business of Employer;

(2) Employee's engaging in criminal misconduct involving moral turpitude if, as a result, in the reasonable judgement of Employer, Employee's credibility and reputation no longer conform to the standard required of Employer's executives;

(3) Employee's willful failure to take actions permitted by law and necessary to implement Employer's policies that the Board (or Employee's direct supervisor) has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's willful and continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board (or Employee's direct supervisor) to Employee of such failure; or

(5) Employee's willful breach of any material provision of this Agreement.

With respect to clauses (2) through (5) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within thirty (30) days following written notice thereof from Employer identifying in reasonable detail such circumstances constituting "good cause"; *provided*, that during such cure period Employee shall not be entitled to any compensation hereunder other than continued payment of Base Salary and benefits pursuant to Section 3(d) and Section 3(f), and upon Employee's failure to cure, the termination of employment shall be deemed effective as of the date of Employer's delivery of written notice of termination for "good cause." For purposes of this Agreement, no act or failure to act on Employee's part shall be considered "willful" unless it is done, or omitted to be done, by him in bad faith or without reasonable belief that his action or omission was in the best interests of Employer. Any act or failure to act pursuant to express authority given by resolution duly adopted by the Board or pursuant to the advice of legal counsel for Employer or any of its subsidiaries shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of Employer.

(iii) Termination of the employment of Employee by Employer (other than by reason of any non-renewal of employment in accordance with Section 2 or by reason of Employee's death or permanent disability in accordance with Section 7) shall, unless such termination is for a reason expressly specified in this Agreement as good cause, be deemed to be a termination of employment by Employer "without good cause."

(c) By Employer Without Good Cause

(i) Employer may terminate the employment of Employee hereunder without "good cause" immediately upon written notice. If Employer shall terminate the employment of Employee without "good cause" (other than due to permanent disability) effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then Employee shall be entitled to receive the Severance Benefits.

(ii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without "good cause," the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without "good cause," and Employer agrees that Employee shall not be required to mitigate his damages.

(d) Change in Control

(i) If a Change in Control of Employer shall occur, then (a) the Board shall grant and allocate the full amount of any then-ungranted or unallocated portion of the Reserved 40% no later than immediately before the date of such Change in Control; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee; and (b) any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such Change in Control (including, for the avoidance of doubt, any awards granted or allocated in accordance with the preceding clause (a) of this Section 8(d)(i)) shall be deemed to have vested in full as of immediately before the date of such Change in Control.

(ii) If the employment of Employee is terminated "in connection with a Change in Control" (as defined below), then, for purposes of determining the Severance Benefits, (I) the Severance Multiple shall be two times (2.0x) and (II) the period of COBRA premium reimbursement under clause (d) of Section 8(a)(iii) above shall be two (2) years. Notwithstanding the foregoing sentence or anything to the contrary in Section 8(a)(iii), if the employment of Employee is terminated in connection with a Change in Control, the

Severance Benefits payable to Employee as a result thereof shall, to the extent (and only to the extent) that the pre-tax value of all Cash Severance (as such term is used herein and in each other Covered Executive's respective employment agreement with Employer, as in effect from time to time) and payment of prorated STIP under section 8(a)(iii)(e) (or under the analogous provision in each other Covered Executive's respective employment agreement with Employer, as in effect from time to time) (and, for the avoidance of doubt, excluding all other severance benefits) payable to all Covered Executives as a result of terminations of employment within thirty (30) days before or after such Change in Control (the "Aggregate Change in Control Severance") exceeds \$4.0 million, Employee's Severance Benefits shall be reduced, dollar-for-dollar, by an amount equal to the pre-tax value of the share of the Aggregate MIP Value received by Employee in respect of his options, rights or awards under Employer's incentive compensation plans, including shares held following the exercise of any option); *provided, however*, that (a) the amount of such reduction shall not exceed Employee's pro rata share of \$3.2 million (pro rata by reference to Employee's share of the Aggregate MIP Value received by all Covered Employees); and (b) Employee's Severance Benefits shall not be reduced below Employee's pro rata share of \$4.0 million (pro rata by reference to the Executive's share of the aggregate Change in Control Severance with respect to such Change in Control). For purposes of this Section 8 (d)(ii):

(1) A termination of employment shall be deemed to be "in connection with a Change in Control" (A) if Employer terminates the employment of Employee hereunder without "good cause" (other than due to permanent disability) either on the effective date of a Change in Control, or in anticipation of or preparation for a reasonably expected and specific Change in Control (as determined by the Board in good faith), or (B) if, within twenty-four (24) months following a Change in Control, either Employer terminates the employment of Employee hereunder without "good cause" (other than due to permanent disability) or Employee terminates his employment hereunder with "good reason."

(2) The value of severance benefits to any Covered Executive shall be determined by the Board in good faith, without discounting for present value, and with the value of any non-cash components of such benefits being determined at fair market value as of the date of such Change in Control.

(3) The term "Aggregate MIP Value" means, with respect to any Change in Control, the aggregate pre-tax value of the proceeds (whether in cash or property) received by all of the Covered Executives as a result of such Change in Control in respect of options, rights or awards under any of Employer's incentive compensation plans (including shares held following the exercise of any option) and

held by such Covered Executives, with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control.

(4) The term “Covered Executives” means each of Employer’s employees listed on Schedule 2 attached hereto.

(iii) The term “Change in Control” shall mean any of the following that occurs after the Commencement Date:

(1) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, including the regulations and other applicable authorities thereunder (the “Exchange Act”)) (“Person”), other than any Designated Holder (as defined below) or Designated Holders acting as a group, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) (“Beneficial Owner”), directly or indirectly, of securities of Employer (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of Employer’s then-outstanding voting securities entitled to vote generally in the election of directors;

(2) members of the Incumbent Board cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the consummation of the Restructuring whose election, or nomination for election by Employer’s stockholders, was approved by a vote of at least a majority of the directors then constituting the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual’s initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board (with the term “Incumbent Board” to mean the members of the Board as of immediately following the consummation of the Restructuring);

(3) approval by the shareholders of Employer of a complete dissolution or liquidation of Employer;

(4) any sale or disposition to a Person of all or substantially all of the assets of Employer (including by way of merger of any direct or indirect subsidiary of Employer with any other corporation or entity); and

(5) there is consummated a merger or consolidation of Employer, other than (A) a merger or consolidation immediately following which the individuals who constitute the Incumbent Board immediately prior thereto constitute at least a majority of the board of directors of Employer, the entity surviving such merger or consolidation, or, if Employer or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, (B) a merger or consolidation (or similar transaction) following which no Person is or becomes a Beneficial Owner, directly or indirectly, of securities of Employer or the entity surviving such merger or consolidation (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation (other than a Person that was, prior to such merger or consolidation (or similar transaction) a Beneficial Owner, directly or indirectly, of securities of Employer representing forty percent (40%) or more of the combined voting power of Employer's then-outstanding securities), or (C) a merger or consolidation (or similar transaction) following which the individuals and entities that were the Beneficial Owners of the outstanding voting securities of Employer remain direct or indirect Beneficial Owners of forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation.

As used herein, the term "Designated Holder" means any of the following, or any of their respective controlled affiliates, or any fund or account managed, advised or controlled by any of the following or any of their respective controlled affiliates: Highbridge Capital Management, LLC, Wolverine Asset Management, LLC, Corre Partners Management, LLC, Whitebox Advisors LLC, and SGF, Inc.

(e) If the employment of Employee is terminated for "good cause" or if Employee voluntarily terminates his employment without "good reason," Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination and shall provide such benefits as are required by applicable law or the terms of relevant benefit plans of Employer; *provided*, that for purposes of this sentence, any unpaid prior-year STIP shall be forfeited as of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement.

(f) Employer's obligations to provide the Severance Benefits or any benefits pursuant to clause (ii) of Section 3(i)(A) above shall be conditioned upon Employee's timely execution, delivery to Employer, and non-revocation of the release of claims substantially in the

form attached hereto as Appendix A (the "Release"), and the expiration of the period (if any) during which the Release can be revoked within the fifty-five (55) day period following Employee's date of termination; *provided*, that, if such fifty-five (55) day period spans two (2) calendar years, no Severance Benefits that would constitute non-qualified deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such fifty-five (55) day period but for this sentence being made promptly following such fifty-five (55) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all, and will not use for his own benefit or otherwise misappropriate any, ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to A.M. Castle's Business (as defined below), whether acquired by Employee before or during his employment by Employer. Employee acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, and similar or related information (whether or not patentable) that relate to the actual or anticipated business, research and development, or existing or future products or services of Employer and that are conceived, developed, or made by Employee while employed by Employer ("Work Product") belong to Employer. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" as such term is defined in 17 U.S.C. Section 101, and ownership of all right, title, and interest therein shall vest in Employer. To the extent that any Work Product is not deemed a "work made for hire" under applicable law, or all right, title, and interest in and to such Work Product has not automatically vested in Employer, Employee hereby irrevocably assigns, transfers, and conveys, to the full extent permitted by applicable law, all right, title, and interest in and to the Work Product on a worldwide basis to Employer without further consideration. Employee will promptly disclose such Work Product to Employer and perform all actions requested by Employer (whether during or after employment) to establish and confirm such ownership (including without limitation, assignments, consents, powers of attorney, and other instruments). Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets; Non-Disparagement.

(a) For purposes of this Agreement, the term "A.M. Castle's Business" shall mean any business in which Employer or any of its subsidiaries is engaged, including, without limitation, the business of distributing specialty metals to customers within the producer durable equipment, aerospace, heavy industrial equipment, industrial goods, construction equipment, oil

and gas, and retail sectors in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets, which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee's employment with Employer. "Confidential Information and Trade Secrets" includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer) that is not generally known to persons who are not employees of Employer, and that Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. "Confidential Information and Trade Secrets" may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as "Confidential" by Employer.

(b) "Confidential Information and Trade Secrets" includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity that has purchased, contracted, hired, or chartered equipment, vehicles, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding A.M. Castle's Business, or to which Employer has made a proposal with respect to A.M. Castle's Business (such person or entity being hereinafter referred to as "Customer" or "Customers");

(iii) Names and other information about Employer's employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address,

telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with A.M. Castle's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records that contain, reflect or describe any Confidential Information and Trade Secrets belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor.

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect at all times during and after the termination of Employer's employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer. Notwithstanding the foregoing, Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or

investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Employee files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Employee may disclose Employer's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

(e) Employee agrees that at no time during or following his employment with Employer shall he make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employer or any of its affiliates, or any of its or their respective current or former shareholders, directors, officers, or employees in any respect. Employer agrees to use reasonable efforts to instruct each of its directors and officers to, at no time during or following Employee's employment with Employer, make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employee in any respect.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (x) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (y) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (x) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning A.M. Castle's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of A.M. Castle's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and to continue to perform, Employee's duties under this Agreement.

In addition, Employer agrees to provide, and to continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure that Employee can perform Employee's duties hereunder and participate in A.M. Castle's Business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities, within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area during the Restricted Period. For purposes of this Agreement, the "Restricted Period" shall mean the term of Employee's employment with Employer, including the Initial Term and any Extension Period, and thereafter until the later of (A) the expiration of the eighteen (18) month period following the termination of such employment or (B) if such employment is terminated pursuant to Section 8(d)(ii) or Section 8(d)(iii) of this Agreement, the expiration of the two (2) year period following the termination of such employment (the "Restricted Period").

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or being connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in, any person, entity or business that is engaged in A.M. Castle's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of Employee's employment with Employer, his employment by a law firm, a certified public accounting firm, or a commercial or investment bank that may have as a client or customer: (A) a Restricted Enterprise or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Restricted Enterprise or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with A.M. Castle's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or provision of any equipment, services, or products that constitute any part of A.M. Castle's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 10, no provision of this Agreement shall prohibit (i) Employee's continued consulting positions, officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on April 1, 2017, and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on April 1, 2017, or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the world.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and to continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and to continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee

against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants. Notwithstanding the foregoing, Employee's non-competition restrictions under this Agreement shall be void *ab initio* to the extent that the Severance Benefits are owed to Employee pursuant to Section 8 above and are not actually paid to Employee at the time scheduled for payment thereof in accordance with this Agreement (subject to Employer's right to cure any non-payment within sixty (60) days following Employee's written notice of non-payment to the Board or, if Employer disputes in good faith Employee's rights to the Severance Benefits, within sixty (60) days following the final resolution of such dispute).

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area that is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Section 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event that either party commences legal action relating to the enforcement of the terms of Section 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) A.M. Castle's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 have been, and will continue to be, developed by Employer and each of Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the assigns and successors of Employer by merger, consolidation or otherwise, and in the event of any business combination or transaction that results in the transfer of all or substantially all of the assets or business of Employer, Employer shall cause the transferee to assume the obligations of Employer under this Agreement. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Employer in respect of any actions or omissions as an employee, officer or director of Employer (or any successor thereof) to the fullest extent permitted by law. If Employee is also entitled to the benefits of indemnification under any separate agreement with Employer, such agreement is hereby reaffirmed and ratified, and this section shall be read as complimentary with and not in conflict with or substitution for such other indemnification agreement. Employer also agrees to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and to ensure that Employee, as a former officer of Employer, is covered under such D&O insurance as may be purchased by Employer either as a going concern or in the form of a "tail" policy thereafter.

17. Entire Agreement. This Agreement (including Appendix "A" and Schedule 1, as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement on behalf of Employer, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Illinois (but no provision of Illinois law shall apply to cause the application of the law of a state or jurisdiction other than Illinois).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first-class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: A.M. Castle & Co.
Attention: Board of Directors
1420 Kensington Road, Suite 220
Oak Brook, IL 60523
Fax: (847) 455-0587

To Employee: Patrick R. Anderson
720 Glendale Drive
Glenview, IL 60025

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Oak Brook, DuPage County, Illinois. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for DuPage County or in the United States District Court for the Northern District of Illinois, Eastern Division, Chicago Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a "specified employee" as defined in Section 409A, and one or more of the payments or benefits received or to be received by Employee upon such termination pursuant to this Agreement would constitute deferred compensation subject to Section 409A, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee's termination of employment with Employer and (b) Employee's death. The provisions of this Section 21 shall apply only to the extent required to avoid Employee's incurrence of any penalty tax or interest under Section 409A.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

A.M. CASTLE & CO.

By: /s/ Marec E. Edgar

Marec E. Edgar

Executive Vice President, General Counsel,
Secretary & Chief Administrative Officer

EMPLOYEE:

/s/ Patrick R. Anderson

Patrick R. Anderson

Executive Vice President, Chief Financial Officer
& Treasurer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of May 15, 2017 (the “Commencement Date”), by and between A.M. Castle & Co., a Maryland corporation (the “Employer”), and Ronald E. Knopp, a resident of Illinois (the “Employee”).

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Offer Letter dated June 13, 2013 by Employer to Employee, Severance Agreement dated August 5, 2013 by and between Employer and Employee, and Change in Control Agreement dated August 5, 2013 by and between Employer and Employee (in each case including any exhibits or attachments thereto and as heretofore modified, amended or supplemented, the “Existing Employment Agreement”);

WHEREAS, Employer and certain of its creditors are parties to a Restructuring Support Agreement dated as of even date herewith (the “RSA”) pursuant to which a financial restructuring of the existing debt and equity interests of Employer and its subsidiaries (the “Restructuring”) is to be undertaken;

WHEREAS, pursuant to the RSA, the Restructuring is to be implemented pursuant to a pre-packaged chapter 11 plan of reorganization (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and the Term Sheet, and including all exhibits thereto, the “Plan”), to be filed in voluntary cases commenced by Employer and its subsidiaries (collectively, the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware or pursuant to out-of-court proceedings on the same or substantially the same terms and conditions.

WHEREAS, in connection with the Restructuring, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of any subsidiary or affiliate of Employer.

2. Term. The term of employment under this Agreement shall commence on the Commencement Date and shall continue for three (3) years thereafter (such three-year period, the “Initial Term”) unless sooner terminated as contemplated herein; *provided, however*, that, unless sooner terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a “Renewal Date”), the then-existing term of this Agreement shall automatically be renewed one additional year (any such renewal term, an “Extension Period”) unless either party gives the other written notice of non-renewal not less than three hundred sixty-five days (365) days prior to the end of the Initial Term (or the Extension Period, as applicable). For the avoidance of doubt, notice of non-renewal of this Agreement given at any other time shall be void and ineffective. Written notice of non-renewal by Employer shall be solely pursuant to a duly adopted resolution of Employer’s board of directors (the “Board”). Upon the date of expiration of the term of this Agreement, Employee shall cease to be employed and shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 3, 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a base salary of \$300,000 per year during the Initial Term, or such other sums as the parties may mutually agree on from time to time, payable in accordance with Employer’s regular payroll practices as in effect from time to time with respect to all office employees of Employer, but no less frequently than monthly (“Base Salary”). The Board or, if the same is established, the human resources or compensation committee of the Board (the “Compensation Committee”) shall have the right to increase Employee’s Base Salary from time to time, and Employee shall be entitled to an annual or more frequent review thereof as determined by the Board, with the first such review to occur in the first calendar quarter of Employer’s 2018 fiscal year. Such increased Base Salary then shall become Employee’s “Base Salary” for purposes of this Agreement.

(b) The Board or Compensation Committee, in its good faith discretion, reasonably exercised, may, with respect to any year during the term hereof, award an incentive opportunity bonus or bonuses to Employee; *provided, however*, that Employer shall annually provide Employee with a short-term incentive plan (the “STIP”) to be determined by the Board or the Compensation Committee. Employee’s target payment under the STIP (the “Target STIP”) shall be 75% of Base Salary, and Employee’s maximum payment under the STIP shall be 168.75% of Base Salary, or such other amounts as may be approved by the Board or the Compensation Committee. The STIP shall be on the terms and conditions as determined by the Compensation Committee and established by written summary delivered to Employee no later than March 15 of the applicable year(s). The compensation provided for in this Section 3(b) shall be in addition to any pension, 401(k), or profit sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

(c) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(d) Employee shall be entitled to such fringe benefits including, but not limited to, life, medical, disability, and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(e) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, Employee's service for any parent, subsidiary or affiliate of Employer or for any entity acquired by, or other predecessor of, Employer.

(f) Employer shall provide Employee with either (i) an Employer-leased vehicle, all costs (gas, insurance, maintenance, etc.) paid, or (ii) an auto allowance and a mobile telephone allowance during the term of the Agreement, as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer.

(g) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(h) Restructuring Compensation

(i) Employee and Employer agree that, in addition to all other cash compensation specified herein, Employee shall be entitled to an additional cash award equal to seventy-three and thirty-five hundredths percent (73.35%) of his Base Salary (the "Restructuring Award") subject to Employee's continued employment by Employer on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, or if Section 3(h)(v) below applies, the effective date of the closing of the Sale During Restructuring (in either case such date, as applicable, the "Restructuring Award Vesting Date"). The Restructuring Award shall be payable on the Restructuring Bonus Vesting Date.

(ii) Employee and Employer agree that, in connection with the Restructuring, Employer shall establish a customary management incentive plan (the “MIP”) under which officers and other key employees of Employer, including Employee, shall be eligible to receive, in the aggregate, (a) awards denominated or payable in shares of the new common stock of the restructured Employer and (b) New Notes (as defined in the RSA or the term sheet attached thereto) convertible into shares of the new common stock of the restructured Employer. The shares reserved under the MIP, whether granted directly under the MIP or issuable upon conversion of New Notes granted under the MIP (the “MIP Aggregate Equity”), shall be equal in the aggregate to ten percent (10%) of the equity of the restructured Employer as of the effective date of the Restructuring on a fully diluted basis (exclusive of any shares of new common stock issuable upon conversion of any New Notes issued to purchasers for new money in the Rights Offering (as defined in the RSA or the term sheet attached thereto) but including any shares of new common stock attributable to original issue discount or the Put Option Payment (as defined in the RSA or the term sheet attached thereto)). Employer and Employee agree that the MIP shall provide for a grant of sixty percent (60%) of the MIP Aggregate Equity (inclusive of the New Notes portion) on the effective date of the Restructuring (the “Initial 60% Award”) and that forty percent (40%) the MIP Aggregate Equity under the MIP shall be reserved for issuance in respect of awards to be granted pursuant to the MIP following the Restructuring, in the discretion of the Board (such reserved amount, plus any granted but unvested shares or New Notes that for any reason in accordance with the MIP are forfeited by MIP participants and returned to the MIP Aggregate Equity, the “Reserved 40%”). Upon a Change in Control, the Board shall allocate the full amount of any then-unallocated portion of the Reserved 40%; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee. Of the Initial 60% Award, Employee shall be entitled to an allocation to be determined by the Employer’s Chief Executive Officer, and the allocation to Employee with respect to the Reserved 40%, if any, shall be determined by the Board in its sole discretion.

(iii) Employee shall be entitled to receive Employee’s allocation of the Initial 60% Award on the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) the effective date of the Restructuring, in a pro rata combination of unvested shares of new common stock and New Notes, with such award to vest on the third (3rd) anniversary of the effective date of the Restructuring, subject to Employee’s continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such anniversary, unless an earlier date for such vesting is otherwise provided for by the terms of this Agreement.

(iv) Employee shall be eligible to participate in such long-term incentive compensation plans that have been approved or may in the future be approved by the shareholders of Employer and administered by the Board.

(v) If a Sale During Restructuring shall occur, Employee shall receive on the closing date thereof in addition to any Restructuring Award, subject to Employee's continued employment on (and not having delivered a notice of resignation other than for good reason prior to) such closing date, a cash payment in an amount equal to fifty-six hundredths of a percent (0.56%) of the gross proceeds of the Sale During Restructuring (net of transaction costs). The term "Sale During Restructuring" shall mean the sale of all or substantially all of the assets of Employer and its subsidiaries at any time after the Commencement Date or during the pendency of the Chapter 11 Cases concerning the Restructuring but before (or preventing) the effective date of the Restructuring.

(vi) For the avoidance of doubt, Employee hereby acknowledges and agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute a Change in Control (or term of similar import), as defined herein or in the Existing Employment Agreement.

(vii) For purposes of this Section 3(h), Employee shall be considered to have "continued employment" on a given date notwithstanding (a) Employee's death or termination by Employer due to disability on or before such date, (b) termination by Employee of his employment hereunder on or before such date for good reason, or (c) termination by Employer of Employee's employment hereunder on or before such date without good cause.

(i) If Employee's employment hereunder terminates effective at the end of the Initial Term or any Extension Period solely by reason of a non-renewal thereof in accordance with Section 2 hereof (and, for avoidance of doubt, not under any circumstances specified in Section 7 or 8 hereof), Employee shall be entitled to receive the compensation and benefits set forth in this Section 3(i).

(A) If such termination is by reason of a non-renewal by Employer, Employee shall be entitled to receive (i) all salary earned but not yet paid through the date of termination, and (ii) (x) any prior-year STIP compensation earned but not yet paid, and the prorated portion of any current year STIP compensation as and when determined in the ordinary course of the calculation of current year STIP award due to other executive officers of Employer, and (y) any and all options, rights or awards under the Reserved 40% that have been granted to, and that have not been forfeited by, Employee before the date of such termination, if any, shall vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination.

(B) If such termination is by reason of a non-renewal by Employee, Employee shall be entitled to receive all salary earned but not yet paid through the date of termination.

4. Duties. Employee is engaged and shall serve as Executive Vice President and Chief Operating Officer of Employer and, as may be requested by Employer from time to time, any other direct or indirect subsidiaries of Employer that may be formed or acquired. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by Employer's Chief Executive Officer and consistent with the office of Executive Vice President and Chief Operating Officer. These services shall be provided from offices located in Oak Brook, Illinois, or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with *de minimis* personal matters.

(b) Employee shall be entitled to paid time off ("PTO") in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum amount of PTO afforded to any other officer of Employer, but no less than four (4) weeks per full calendar year worked, and that up to one (1) week of unused PTO in each year may be carried over to be used in the following year (in addition to the normal maximum allotment for such following year).

6. [Reserved]

7. Illness or Incapacity; Termination on Death or Permanent Disability.

(a) If during the term of this Agreement Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior-year STIP compensation earned but not yet paid and the prorated portion of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other

executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for 90 days following the date of death or determination of permanent disability, provided that Employee and Employee's dependents, as applicable, shall continue to pay the active-employee contribution toward such benefits. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of death or termination on account of permanent disability shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of death or termination on account of permanent disability. Except for the benefits set forth in the preceding sentences and any life or disability insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health, life, or disability insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b) The terms "permanently disabled" and "permanent disability" as used in this Agreement shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) consecutive days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), or one hundred twenty (120) days in any twelve (12) month period, by reason of any physical or mental impairment. In the event that Employee becomes "permanently disabled," the Board may terminate Employee's employment under this Agreement upon written notice. If any determination with respect to "permanent disability" is disputed by Employee, Employee agrees to abide by the determination of a qualified, independent physician selected by Employer in good faith. Employee agrees to make himself available for and submit to examinations by such physician as may be reasonably directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

(c) All rights of Employee under this Agreement (other than rights already accrued) shall terminate upon Employee's permanent disability, although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time. For the avoidance of doubt, during any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement and does not result in Employee's permanent disability, Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any STIP compensation earned during such period, less any benefits received by him under any disability insurance carried by or provided by Employer.

8. Terminations Other Than For Death or Disability.

(a) By Employee

(i) Employee may terminate his employment hereunder for any reason whatsoever other than “good reason” upon giving at least thirty (30) days’ prior written notice. In addition, Employee shall have the right to terminate his employment hereunder at any time for “good reason.” As used herein, “good reason” means the occurrence of any of the following: (1) the relocation of Employee’s office to a location outside the State of Illinois or more than fifty (50) miles from its present location, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, (3) a change in reporting structure of Employer where Employee is required to report to someone holding a title or position different from the title or position of the person to whom Employee was required to report on the Commencement Date, unless that person has been identified as the intended successor to the person to whom Employee reports on the Commencement Date, (4) any action or inaction that constitutes a material breach by Employer of this Agreement (other than with respect to any provision of this Agreement covered by any of clauses (1) through (3) of this definition of “good reason”), or (5) any Change in Control in connection with which (A) this Agreement is not assumed or continued by any purchaser, acquirer, controlling person or successor to Employer (an “Acquiror”) and (B) Employee is not offered employment by such Acquiror for the same or a substantially similar executive position and with the same or substantially similar compensation and other benefit opportunities in the aggregate, in each case as enjoyed by Employee immediately before the Change in Control (*provided, however*, that (i) if Employee receives gross aggregate proceeds (whether in cash or property) in excess of one million dollars (\$1,000,000) as a result of such Change in Control in respect of options, rights or awards under any of Employer’s incentive compensation plans (including shares held following the exercise of any option), with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control, the determination of whether Employee is offered “substantially similar compensation and other benefits opportunities” shall be made without regard to equity-based compensation opportunities, and (ii) if clause (i) does not apply, equity-based compensation opportunities offered by such Acquiror shall be deemed to be “substantially similar” to the equity-based compensation opportunities enjoyed by Employee immediately before the Change in Control if such equity-based compensation opportunities offered by Acquiror are on market-appropriate terms for a company of Employer’s size and industry). Notwithstanding the foregoing, Employee will not have “good reason” to terminate his employment unless (i) he provides the Board with a written notice detailing the specific circumstances alleged to constitute “good reason” within ninety (90) days after Employee first learns (or should have learned) of the first occurrence of such circumstances, (ii) Employer is given a period of thirty (30) days

following receipt of such written notice to cure the applicable “good reason” condition, if susceptible to cure, and (iii) Employee actually terminates employment within thirty (30) days following the expiration of Employer’s thirty (30) day cure period described above. For the avoidance of doubt, Employee agrees that neither the Restructuring nor any transactions contemplated pursuant thereto or to the RSA or Plan, nor a Sale During Restructuring, shall constitute “good reason” hereunder or under the Existing Employment Agreement, and Employee hereby waives any right to claim “good reason” solely by virtue of consummation thereof.

(ii) If Employee gives notice to terminate his employment without “good reason” pursuant to the first sentence of Section 8(a)(i) above, Employer shall have the right to waive all or any portion of the required notice period, and terminate Employee’s employment early, without re-characterizing such termination as a voluntary termination by Employee without “good reason”; *provided, however*, that notwithstanding such early termination, Employee shall remain entitled to payment of compensation and all other benefits to which Employee would have been entitled hereunder in respect of such notice period in the absence of such early termination.

(iii) If Employee terminates his employment hereunder with “good reason” effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then (a) any and all options, rights or awards under any of Employer’s incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such termination shall immediately vest on a prorated basis to reflect the portion of the applicable vesting period lapsed as of the date of termination; (b) Employee shall receive a cash severance amount (the “Cash Severance”) equal to the product of (x) Employee’s Applicable Base and (y) one and one-half (1.5) (the “Severance Multiple”), such Cash Severance (in all circumstances contemplated under this Agreement) to be paid:

(1) sixty-five percent (65%) upon the next regular payroll date of Employer following the effectiveness of the Release (as defined below) and the remaining thirty-five percent (35%) in equal monthly installments for six (6) months beginning on the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of termination, *except* that in the event of a Qualifying Change in Control (as defined below) occurring prior to any scheduled payment date for such deferred payments, such deferred payments shall be paid in full in a single lump sum on the later of (x) the closing date of such Qualifying Change in Control and (y) the first (1st) regular payroll date of Employer following the six (6) month anniversary of the effective date of the termination; or

(2) in the case of a termination upon or within twenty-four (24) months following a Qualifying Change in Control, in a single lump-sum payment on the effective date of the termination.

(c) subject to Employee's timely election and COBRA continuation of health insurance continuation coverage under Employer's applicable benefit plans, a monthly cash reimbursement, for the period of eighteen (18) months following the termination of the Agreement (or if earlier, until Employee ceases enrollment in such continuation coverage), of the portion of Employee's cost of COBRA premiums that is in excess of the active-employee cost of such coverage (which active-employee cost shall be the responsibility of Employee), with such monthly cost-reimbursement being paid by Employer directly to the coverage provider in accordance with Employer's past practices; (d) Employee shall continue to receive the perquisites specified in Section 3(f) for the period of one (1) year following the termination of the Agreement (*provided, however*, that if such perquisites are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the reasonable cost of providing equivalent perquisites); and (e) the prorated portion, up to and including the termination date, of any current year STIP as and when determined in the ordinary course of the calculation of current year STIP due to other executives of Employer. The benefits described in clauses (a) through (e) above shall be referred to herein as the "Severance Benefits." For the avoidance of doubt, to the extent that any of the Severance Benefits (in relation to any form of termination of employment under this Agreement) are deferred and not paid in full to Employee on the effective date of his termination, and Employee should later die prior to receiving such deferred Severance Benefits, any outstanding Severance Benefits due and owing to Employee at the time of his death shall be paid in full in a single lump sum to Employee's estate upon presentation to Employer of a certified death certificate. As used herein, the term "Qualifying Change in Control" means a Change in Control (as defined below) that constitutes a change in the ownership or effective control of Employer, or in the ownership of a substantial portion of the assets of Employer, in either case within the meaning of Section 409A (as defined below).

For purposes of this Agreement, the "Applicable Base" shall be the sum of (a) the annual rate of Employee's Base Salary pursuant to Section 3(a) in effect at the time of termination of employment (but no less than such rate of such Base Salary as of the Commencement Date) and (b) the amount of Employee's Target STIP award for the year in which the termination occurs (but no less than the amount of such Target STIP for the year in which the Commencement Date occurs).

(b) By Employer for Good Cause

(i) Employer may terminate the employment of Employee hereunder for "good cause" (as defined below) immediately upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of, or entry of a plea of guilty or "nolo contendere" to, either (x) a felony or (y) any other crime that has, or could be reasonably expected to have, a materially adverse impact on the performance of Employee's duties to Employer or otherwise result in material injury to the reputation or business of Employer;

(2) Employee's engaging in criminal misconduct involving moral turpitude if, as a result, in the reasonable judgement of Employer, Employee's credibility and reputation no longer conform to the standard required of Employer's executives;

(3) Employee's willful failure to take actions permitted by law and necessary to implement Employer's policies that the Board (or Employee's direct supervisor) has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's willful and continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board (or Employee's direct supervisor) to Employee of such failure; or

(5) Employee's willful breach of any material provision of this Agreement.

With respect to clauses (2) through (5) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within thirty (30) days following written notice thereof from Employer identifying in reasonable detail such circumstances constituting "good cause"; *provided*, that during such cure period Employee shall not be entitled to any compensation hereunder other than continued payment of Base Salary and benefits pursuant to Section 3(d) and Section 3(f), and upon Employee's failure to cure, the termination of employment shall be deemed effective as of the date of Employer's delivery of written notice of termination for "good cause." For purposes of this Agreement, no act or failure to act on Employee's part shall be considered "willful" unless it is done, or omitted to be done, by him in bad faith or without reasonable belief that his action or omission was in the best interests of Employer. Any act or failure to act pursuant to express authority given by resolution duly adopted by the Board or pursuant to the advice of legal counsel for Employer or any of its subsidiaries shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of Employer.

(iii) Termination of the employment of Employee by Employer (other than by reason of any non-renewal of employment in accordance with Section 2 or by reason of Employee's death or permanent disability in accordance with Section 7) shall, unless such termination is for a reason expressly specified in this Agreement as good cause, be deemed to be a termination of employment by Employer "without good cause."

(c) By Employer Without Good Cause

(i) Employer may terminate the employment of Employee hereunder without "good cause" immediately upon written notice. If Employer shall terminate the employment of Employee without "good cause" (other than due to permanent disability) effective on a date earlier than the end of the Initial Term or any then-applicable Extension Period, then Employee shall be entitled to receive the Severance Benefits.

(ii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without "good cause," the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without "good cause," and Employer agrees that Employee shall not be required to mitigate his damages.

(d) Change in Control

(i) If a Change in Control of Employer shall occur, then (a) the Board shall grant and allocate the full amount of any then-ungranted or unallocated portion of the Reserved 40% no later than immediately before the date of such Change in Control; *provided*, that the Board shall, with respect to the Reserved 40%, have the sole discretion to determine the recipients thereof and the allocation among such recipients, which recipients may or may not include Employee; and (b) any and all options, rights or awards under any of Employer's incentive compensation plans that have been granted to, and that have not been forfeited by, Employee before the date of such Change in Control (including, for the avoidance of doubt, any awards granted or allocated in accordance with the preceding clause (a) of this Section 8(d)(i)) shall be deemed to have vested in full as of immediately before the date of such Change in Control.

(ii) If the employment of Employee is terminated "in connection with a Change in Control" (as defined below), then, for purposes of determining the Severance Benefits, (I) the Severance Multiple shall be two times (2.0x) and (II) the period of COBRA premium reimbursement under clause (d) of Section 8(a)(iii) above shall be two (2) years. Notwithstanding the foregoing sentence or anything to the contrary in Section 8(a)(iii), if the employment of Employee is terminated in connection with a Change in Control, the

Severance Benefits payable to Employee as a result thereof shall, to the extent (and only to the extent) that the pre-tax value of all Cash Severance (as such term is used herein and in each other Covered Executive's respective employment agreement with Employer, as in effect from time to time) and payment of prorated STIP under section 8(a)(iii)(e) (or under the analogous provision in each other Covered Executive's respective employment agreement with Employer, as in effect from time to time) (and, for the avoidance of doubt, excluding all other severance benefits) payable to all Covered Executives as a result of terminations of employment within thirty (30) days before or after such Change in Control (the "Aggregate Change in Control Severance") exceeds \$4.0 million, Employee's Severance Benefits shall be reduced, dollar-for-dollar, by an amount equal to the pre-tax value of the share of the Aggregate MIP Value received by Employee in respect of his options, rights or awards under Employer's incentive compensation plans, including shares held following the exercise of any option); *provided, however*, that (a) the amount of such reduction shall not exceed Employee's pro rata share of \$3.2 million (pro rata by reference to Employee's share of the Aggregate MIP Value received by all Covered Employees); and (b) Employee's Severance Benefits shall not be reduced below Employee's pro rata share of \$4.0 million (pro rata by reference to the Executive's share of the aggregate Change in Control Severance with respect to such Change in Control). For purposes of this Section 8 (d)(ii):

(1) A termination of employment shall be deemed to be "in connection with a Change in Control" (A) if Employer terminates the employment of Employee hereunder without "good cause" (other than due to permanent disability) either on the effective date of a Change in Control, or in anticipation of or preparation for a reasonably expected and specific Change in Control (as determined by the Board in good faith), or (B) if, within twenty-four (24) months following a Change in Control, either Employer terminates the employment of Employee hereunder without "good cause" (other than due to permanent disability) or Employee terminates his employment hereunder with "good reason."

(2) The value of severance benefits to any Covered Executive shall be determined by the Board in good faith, without discounting for present value, and with the value of any non-cash components of such benefits being determined at fair market value as of the date of such Change in Control.

(3) The term "Aggregate MIP Value" means, with respect to any Change in Control, the aggregate pre-tax value of the proceeds (whether in cash or property) received by all of the Covered Executives as a result of such Change in Control in respect of options, rights or awards under any of Employer's incentive compensation plans (including shares held following the exercise of any option) and

held by such Covered Executives, with the value of the non-cash portion, if any, of such proceeds being determined in good faith by the Board at fair market value as of the date of such Change in Control.

(4) The term “Covered Executives” means each of Employer’s employees listed on Schedule 2 attached hereto.

(iii) The term “Change in Control” shall mean any of the following that occurs after the Commencement Date:

(1) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, including the regulations and other applicable authorities thereunder (the “Exchange Act”)) (“Person”), other than any Designated Holder (as defined below) or Designated Holders acting as a group, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) (“Beneficial Owner”), directly or indirectly, of securities of Employer (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of Employer’s then-outstanding voting securities entitled to vote generally in the election of directors;

(2) members of the Incumbent Board cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the consummation of the Restructuring whose election, or nomination for election by Employer’s stockholders, was approved by a vote of at least a majority of the directors then constituting the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual’s initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board (with the term “Incumbent Board” to mean the members of the Board as of immediately following the consummation of the Restructuring);

(3) approval by the shareholders of Employer of a complete dissolution or liquidation of Employer;

(4) any sale or disposition to a Person of all or substantially all of the assets of Employer (including by way of merger of any direct or indirect subsidiary of Employer with any other corporation or entity); and

(5) there is consummated a merger or consolidation of Employer, other than (A) a merger or consolidation immediately following which the individuals who constitute the Incumbent Board immediately prior thereto constitute at least a majority of the board of directors of Employer, the entity surviving such merger or consolidation, or, if Employer or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, (B) a merger or consolidation (or similar transaction) following which no Person is or becomes a Beneficial Owner, directly or indirectly, of securities of Employer or the entity surviving such merger or consolidation (not including in the securities beneficially owned by such Person any securities acquired directly from Employer or its affiliates) representing forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation (other than a Person that was, prior to such merger or consolidation (or similar transaction) a Beneficial Owner, directly or indirectly, of securities of Employer representing forty percent (40%) or more of the combined voting power of Employer's then-outstanding securities), or (C) a merger or consolidation (or similar transaction) following which the individuals and entities that were the Beneficial Owners of the outstanding voting securities of Employer remain direct or indirect Beneficial Owners of forty percent (40%) or more of the combined voting power of the then-outstanding securities of Employer or the entity surviving such merger or consolidation.

As used herein, the term "Designated Holder" means any of the following, or any of their respective controlled affiliates, or any fund or account managed, advised or controlled by any of the following or any of their respective controlled affiliates: Highbridge Capital Management, LLC, Wolverine Asset Management, LLC, Corre Partners Management, LLC, Whitebox Advisors LLC, and SGF, Inc.

(e) If the employment of Employee is terminated for "good cause" or if Employee voluntarily terminates his employment without "good reason," Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination and shall provide such benefits as are required by applicable law or the terms of relevant benefit plans of Employer; *provided*, that for purposes of this sentence, any unpaid prior-year STIP shall be forfeited as of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement.

(f) Employer's obligations to provide the Severance Benefits or any benefits pursuant to clause (ii) of Section 3(i)(A) above shall be conditioned upon Employee's timely execution, delivery to Employer, and non-revocation of the release of claims substantially in the

form attached hereto as Appendix A (the "Release"), and the expiration of the period (if any) during which the Release can be revoked within the fifty-five (55) day period following Employee's date of termination; *provided*, that, if such fifty-five (55) day period spans two (2) calendar years, no Severance Benefits that would constitute non-qualified deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such fifty-five (55) day period but for this sentence being made promptly following such fifty-five (55) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all, and will not use for his own benefit or otherwise misappropriate any, ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to A.M. Castle's Business (as defined below), whether acquired by Employee before or during his employment by Employer. Employee acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, and similar or related information (whether or not patentable) that relate to the actual or anticipated business, research and development, or existing or future products or services of Employer and that are conceived, developed, or made by Employee while employed by Employer ("Work Product") belong to Employer. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" as such term is defined in 17 U.S.C. Section 101, and ownership of all right, title, and interest therein shall vest in Employer. To the extent that any Work Product is not deemed a "work made for hire" under applicable law, or all right, title, and interest in and to such Work Product has not automatically vested in Employer, Employee hereby irrevocably assigns, transfers, and conveys, to the full extent permitted by applicable law, all right, title, and interest in and to the Work Product on a worldwide basis to Employer without further consideration. Employee will promptly disclose such Work Product to Employer and perform all actions requested by Employer (whether during or after employment) to establish and confirm such ownership (including without limitation, assignments, consents, powers of attorney, and other instruments). Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets; Non-Disparagement.

(a) For purposes of this Agreement, the term "A.M. Castle's Business" shall mean any business in which Employer or any of its subsidiaries is engaged, including, without limitation, the business of distributing specialty metals to customers within the producer durable equipment, aerospace, heavy industrial equipment, industrial goods, construction equipment, oil

and gas, and retail sectors in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets, which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee's employment with Employer. "Confidential Information and Trade Secrets" includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer) that is not generally known to persons who are not employees of Employer, and that Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. "Confidential Information and Trade Secrets" may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as "Confidential" by Employer.

(b) "Confidential Information and Trade Secrets" includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity that has purchased, contracted, hired, or chartered equipment, vehicles, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding A.M. Castle's Business, or to which Employer has made a proposal with respect to A.M. Castle's Business (such person or entity being hereinafter referred to as "Customer" or "Customers");

(iii) Names and other information about Employer's employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address,

telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with A.M. Castle's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to A.M. Castle's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, and duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records that contain, reflect or describe any Confidential Information and Trade Secrets belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor.

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect at all times during and after the termination of Employer's employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer. Notwithstanding the foregoing, Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or

investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Employee files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Employee may disclose Employer's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

(e) Employee agrees that at no time during or following his employment with Employer shall he make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employer or any of its affiliates, or any of its or their respective current or former shareholders, directors, officers, or employees in any respect. Employer agrees to use reasonable efforts to instruct each of its directors and officers to, at no time during or following Employee's employment with Employer, make any disparaging, defamatory, or untrue public comments (whether orally, in writing, through electronic media, or otherwise) regarding Employee in any respect.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (x) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (y) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (x) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning A.M. Castle's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of A.M. Castle's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and to continue to perform, Employee's duties under this Agreement.

In addition, Employer agrees to provide, and to continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure that Employee can perform Employee's duties hereunder and participate in A.M. Castle's Business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities, within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area during the Restricted Period. For purposes of this Agreement, the "Restricted Period" shall mean the term of Employee's employment with Employer, including the Initial Term and any Extension Period, and thereafter until the later of (A) the expiration of the eighteen (18) month period following the termination of such employment or (B) if such employment is terminated pursuant to Section 8(d)(ii) or Section 8(d)(iii) of this Agreement, the expiration of the two (2) year period following the termination of such employment (the "Restricted Period").

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or being connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in, any person, entity or business that is engaged in A.M. Castle's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of Employee's employment with Employer, his employment by a law firm, a certified public accounting firm, or a commercial or investment bank that may have as a client or customer: (A) a Restricted Enterprise or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Restricted Enterprise or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with A.M. Castle's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or provision of any equipment, services, or products that constitute any part of A.M. Castle's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 10, no provision of this Agreement shall prohibit (i) Employee's continued consulting positions, officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on April 1, 2017, and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on April 1, 2017, or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the world.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and to continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and to continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee

against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants. Notwithstanding the foregoing, Employee's non-competition restrictions under this Agreement shall be void *ab initio* to the extent that the Severance Benefits are owed to Employee pursuant to Section 8 above and are not actually paid to Employee at the time scheduled for payment thereof in accordance with this Agreement (subject to Employer's right to cure any non-payment within sixty (60) days following Employee's written notice of non-payment to the Board or, if Employer disputes in good faith Employee's rights to the Severance Benefits, within sixty (60) days following the final resolution of such dispute).

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area that is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Section 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event that either party commences legal action relating to the enforcement of the terms of Section 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) A.M. Castle's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 have been, and will continue to be, developed by Employer and each of Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the assigns and successors of Employer by merger, consolidation or otherwise, and in the event of any business combination or transaction that results in the transfer of all or substantially all of the assets or business of Employer, Employer shall cause the transferee to assume the obligations of Employer under this Agreement. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Employer in respect of any actions or omissions as an employee, officer or director of Employer (or any successor thereof) to the fullest extent permitted by law. If Employee is also entitled to the benefits of indemnification under any separate agreement with Employer, such agreement is hereby reaffirmed and ratified, and this section shall be read as complimentary with and not in conflict with or substitution for such other indemnification agreement. Employer also agrees to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and to ensure that Employee, as a former officer of Employer, is covered under such D&O insurance as may be purchased by Employer either as a going concern or in the form of a "tail" policy thereafter.

17. Entire Agreement. This Agreement (including Appendix "A" and Schedule 1, as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement on behalf of Employer, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Illinois (but no provision of Illinois law shall apply to cause the application of the law of a state or jurisdiction other than Illinois).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first-class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: A.M. Castle & Co.
Attention: Board of Directors
1420 Kensington Road, Suite 220
Oak Brook, IL 60523
Fax: (847) 455-0587

To Employee: Ronald E. Knopp
25023 Steeple Chase Drive
Plainfield, IL 60585

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Oak Brook, DuPage County, Illinois. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for DuPage County or in the United States District Court for the Northern District of Illinois, Eastern Division, Chicago Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a "specified employee" as defined in Section 409A, and one or more of the payments or benefits received or to be received by Employee upon such termination pursuant to this Agreement would constitute deferred compensation subject to Section 409A, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee's termination of employment with Employer and (b) Employee's death. The provisions of this Section 21 shall apply only to the extent required to avoid Employee's incurrence of any penalty tax or interest under Section 409A.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

A.M. CASTLE & CO.

By: /s/ Marec E. Edgar

Marec E. Edgar

Executive Vice President, General Counsel,
Secretary & Chief Administrative Officer

EMPLOYEE:

/s/ Ronald E. Knopp

Ronald E. Knopp

Executive Vice President & Chief Operating Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven W. Scheinkman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of A. M. Castle & Co. (the "Company");
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 Company as of, and for, the periods presented in this report;
4. The Company'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 Company 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 Company, 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 preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company'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 Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: August 9, 2017

/s/ Steven W. Scheinkman

Steven W. Scheinkman
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Patrick R. Anderson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of A. M. Castle & Co. (the "Company");
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 Company as of, and for, the periods presented in this report;
4. The Company'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 Company 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 Company, 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 preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company'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 Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: August 9, 2017

/s/ Patrick R. Anderson

Patrick R. Anderson

Executive Vice President, Chief Financial Officer &
Treasurer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report of A. M. Castle & Co. (the "Company") on Form 10-Q for the period ended June 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Steven W. Scheinkman, President and Chief Executive Officer (Principal Executive Officer) and Patrick R. Anderson, Executive Vice President, Chief Financial Officer & Treasurer (Principal Financial Officer) of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

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

/s/ Steven W. Scheinkman

Steven W. Scheinkman

President and Chief Executive Officer

August 9, 2017

/s/ Patrick R. Anderson

Patrick R. Anderson

Executive Vice President, Chief Financial Officer &
Treasurer

August 9, 2017

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification shall also not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.