

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name  <u>Babcock &amp; Wilcox Enterprises, Inc.</u>		2 Issuer's employer identification number (EIN)  <u>47-2783641</u>	
3 Name of contact for additional information  <u>Chase A. Jacobson</u>	4 Telephone No. of contact  <u>704-625-4944</u>	5 Email address of contact  <u>investors@babcock.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <u>13024 Ballantyne Corporate Place, Suite 700</u>		7 City, town, or post office, state, and ZIP code of contact  <u>Charlotte, NC 28277</u>	
8 Date of action  <u>April 30, 2018</u>		9 Classification and description  <u>Subscription rights</u>	
10 CUSIP number  <u>05614L100</u>	11 Serial number(s)	12 Ticker symbol  <u>BW</u>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Babcock & Wilcox Enterprises, Inc. ("BW") distributed to holders of its common stock, one nontransferable subscription right for each share held as of 5:00 p.m., New York City time on March 15, 2018. The rights were distributed on April 11, 2018. The rights expired at 5:00 p.m., New York City time, on April 30, 2018. Each right entitled its holder to purchase 2.8 common shares at a subscription price of \$2.00. Fractional shares were not issued and exercised rights were rounded down to the nearest whole number of common shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Each holder that received subscription rights and exercised such rights must allocate its basis in the BW shares with respect to which the subscription rights were exercised, between such shares and the subscription rights in proportion to the relative fair market value of each on the distribution date.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The closing price of BW stock on April 11, 2018 was \$2.39 and each subscription right entitled the holder to purchase 2.8 shares of common stock at the subscription price of \$2.00. Therefore, the fair market value of each subscription right was equal to \$1.09 or 31.4% of the aggregate value of the subscription right and the common stock on the distribution date, computed as follows: (value of each subscription right / (value of each subscription right + value of underlying common share)) or (\$1.09 / (\$1.09 + \$2.39))

The following example illustrates the basis allocation required pursuant to Internal Revenue Code Section 307:

A shareholder with a tax basis of \$339.00 in 100 shares of common stock on the distribution date, who exercises the subscription right and purchases 280 shares for the purchase price of \$560.00 would allocate 31.4% of the basis in the old shares to the basis of the new shares. Therefore, the basis of the new shares would be \$666.45 (e.g. \$560.00 + \$106.45) or \$2.38 per share and the basis of the old shares would be \$232.55 (e.g. \$339.00 - \$106.45) or \$2.33 per share.

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
Internal Revenue Code Sections 305 and 307.

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18 Can any resulting loss be recognized? ▶  
The subscription rights distributed on April 11, 2018 were nontransferable. Allocation of basis pursuant to Internal Revenue Code Section 307 is only required if the rights were exercised. If the rights were exercised, the portion of basis allocated to the rights must be added to the basis of the acquired shares. If the rights expired, no loss will result and any basis allocated to the subscription rights will be returned to the original shares with respect to which the rights were issued.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
The reportable tax year is the calendar year ending December 31, 2018.

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**Sign Here**

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

Signature ▶ Paul V. Cappiello Date ▶ 6/5/18

Print your name ▶ Paul V. Cappiello Title ▶ Vice President, Tax

**Paid Preparer Use Only**

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