

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Babcock & Wilcox Enterprises, Inc.		2 Issuer's employer identification number (EIN) 47-2783641	
3 Name of contact for additional information Megan Wilson	4 Telephone No. of contact 704-625-4944	5 Email address of contact mrwilson@babcock.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 20 South Van Buren Avenue		7 City, town, or post office, state, and ZIP code of contact Barberton, OH 442013	
8 Date of action June 28, 2019		9 Classification and description Subscription rights	
10 CUSIP number 05614L100	11 Serial number(s)	12 Ticker symbol BW	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 June 27, 2018. The rights were distributed on June 28, 2019. The rights expired at 5:00 p.m., New York City time, on July 18, 2019. Each right entitled its holder to purchase 0.986896 common shares at a subscription price of \$0.30. Fractional shares were not issued and exercised rights were rounded 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 ▶ **The closing price of BW stock on June 28, 2019 was \$0.34. The rights entitled the holder to purchase 0.986896 shares of common stock at the subscription price of \$0.30 and therefore, the fair market value of each right was equal to 11.4% of the fair market value of the common stock on the distribution date. In general, a shareholders tax basis in new shares received due to their exercise of the rights they received in the offering would be equal to the exercise price and would not result in allocation of their old shares basis because the value of the rights at the time of the distribution was less than 15 % of the fair market value of the old shares at such time. However, under Internal Revenue Code Section 307(b), a shareholder has the option to elect to apportion its basis in its old shares to the new shares received as a result of the distribution. Accordingly, a shareholders tax basis in its new stock will be equal to either (1) the exercise price or (2) the exercise price plus any basis allocated due to a shareholders election under Internal Revenue Code Section 307(b)(2).**

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 ▶ **If no election is made under Internal Revenue Code Section 307(b)(2), a shareholders basis in its old shares would not change and its basis in its new shares would be equal to the exercise price times the number of shares purchased.**

The following example illustrates the basis allocation rules of Internal Revenue Code Section 307(a) if an election is made under Internal Revenue Code Section 307(b)(2):

A shareholder with a tax basis of \$6500.00 in 1,000 shares on the distribution date, who exercises the subscription right and purchases 986 shares for an aggregate purchase price of \$295.80 would allocate 11.4% of the basis in the old shares to the basis of the new shares. Therefore, the basis of the new shares would be \$1,036.80 or \$1.05 per share and the basis of the old shares would be \$5,759.00 or \$5.76 per share after the allocation.

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.

18 Can any resulting loss be recognized? ▶

The rights issued on June 28, 2019 were nontransferable. Allocation of basis pursuant to Internal Revenue Code Section 307 is only required if the rights were exercised and a shareholder makes an election under Section 302(b)(2). If the rights were exercised, the portion of basis allocated to the rights, if any, must be added to the basis of the acquired shares. If the rights expired, no loss will result and the allocated basis will be returned to the original shares with respect to which the rights were issued.

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, 2019.

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 ▶ *8/29/19*

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 ▶
	Firm's address ▶				Phone no.