UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF IOWA

In re:	)	Case No. 16-01823-als11
	)	
FANSTEEL, INC.	)	Chapter 11
	)	
Debtor and Debtor in Possession	)	Hon. Anita L. Shodeen
	)	
1746 Commerce Rd. Creston, IA 50801	)	**DEBTOR FANSTEEL, INC'S SECOND AMENDED DISCLOSURE STATEMENT DATED MARCH 6, 2017**
	)	
EIN: 36-1058780	)	
	)	

Jeffrey D. Goetz, Esq., IS# 9999366
Krystal R. Mikkilineni, Esq., IS# 9999933
Bradshaw, Fowler, Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, IA 50309-8004
515/246-5817
515/246-5808 FAX
goetz.jeffrey@bradshawlaw.com

General Reorganization Counsel for
Fansteel, Inc.
Debtor, Debtor in Possession and
Plan Proponent

TABLE OF CONTENTS

I. INTRODUCTION

Fansteel, Inc. (hereinafter referred to as "Fansteel" or "Debtor") is the Debtor and Debtor in Possession in its Chapter 11 Bankruptcy Case pending before this Court. Fansteel commenced its case by filing a voluntary petition for relief on September 13, 2016.

Chapter 11 allows the Debtor, and under some circumstances, Creditors and other parties, to propose a plan of reorganization. The Debtor is the Plan Proponent of the kSecond Amended Plan of Reorganization Dated March 6, 2017 (the "Plan"). A true and exact copy of the Plan is filed contemporaneously with this Disclosure Statement (the "Disclosure Statement").

A. The Purpose of this Disclosure Statement

Pursuant to Bankruptcy Code Section 1125, the Plan Proponent has prepared and filed this Disclosure Statement along with the Plan, for the Court's approval and submission to the holders of Claims and Interests. However, before acceptance or rejection of a plan may be solicited, the Court must find that this Disclosure Statement contains "adequate information."

"Adequate Information" is defined in Bankruptcy Code Section 1125(a)(1) to mean information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, that would enable a hypothetical reasonable investor typical of the holders of Claims or Interests of the relevant Class to make an informed judgment about the plan. In re Dakota Rail, Inc., 104 B.R. 138 (Bankr. Minn. 1989); In re Metrocraft Publishing Serv., Inc., 39 B.R. 567 (Bankr. N.D. Ga. 1984).

READ THIS DISCLOSURE STATEMENT CAREFULLY TO FIND OUT THE FOLLOWING:

1. WHO CAN VOTE OR OBJECT;
2. WHAT THE TREATMENT OF YOUR CLAIM AND/OR INTEREST IS, (i.e., if your Claim and/or Interest is disputed, and what your Claim and/or Interest will receive if the Plan is confirmed);
3. THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING ITS BANKRUPTCY CASE;
4. WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR NOT TO CONFIRM THE PLAN; AND
5. WHAT IS THE EFFECT OF CONFIRMATION?

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own lawyer to obtain more specific advice on how the Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and Disclosure Statement, the Plan provisions will govern.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTOR, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING IT OR ITS FINANCIAL AFFAIRS, OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

YOU MAY NOT RELY UPON THIS DISCLOSURE STATEMENT FOR ANY PURPOSE OTHER THAN TO DECIDE HOW TO VOTE ON THE PLAN. NOTHING CONTAINED IN THE PLAN OR THE DISCLOSURE STATEMENT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY.

EXCEPT AS MAY BE SET FORTH IN THIS DISCLOSURE STATEMENT, THE BANKRUPTCY COURT HAS NOT APPROVED ANY REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS ASSETS. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED HEREIN AND APPROVED BY THE BANKRUPTCY COURT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER DATE IS SPECIFIED HEREIN. NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THIS DISCLOSURE STATEMENT AND PLAN SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH IN THE DISCLOSURE STATEMENT SINCE THE DATE THE DISCLOSURE STATEMENT WAS PREPARED.

ALTHOUGH THE DEBTOR BELIEVES THAT THE CONTENTS OF THIS DISCLOSURE STATEMENT ARE COMPLETE AND ACCURATE TO THE BEST OF ITS KNOWLEDGE, INFORMATION AND BELIEF, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED THEREIN IS WITHOUT ANY INACCURACY. ANY STATEMENTS REGARDING PROJECTED AMOUNTS OF CLAIMS AND DIVIDENDS ARE ESTIMATES OF THE DEBTOR BASED UPON CURRENTLY AVAILABLE INFORMATION AND ARE NOT A REPRESENTATION THAT SUCH AMOUNTS WILL ULTIMATELY PROVE CORRECT.

THE DEBTOR BELIEVES THAT THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THE PLAN WILL RESULT IN A GREATER RECOVERY FOR CREDITORS THAN THAT WHICH IS LIKELY TO BE ACHIEVED UNDER THE DIRECTION OF A TRUSTEE IN A CASE UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND INTEREST HOLDERS. THE DEBTOR RECOMMENDS THAT CREDITORS VOTE TO ACCEPT THE PLAN.

THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE BANKRUPTCY

COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

THE PLAN IS INTENDED TO RESOLVE, COMPROMISE AND SETTLE ALL CLAIMS, DISPUTES, AND CAUSES OF ACTION BETWEEN AND AMONG ALL PARTICIPANTS AND AS TO ALL MATTERS RELATING TO THESE PROCEEDINGS, EXCEPT AS EXPRESSLY PROVIDED FOR IN THE PLAN. THEREFORE, APPROVAL OF THE PLAN SHALL AFFECT THE DISCHARGE AND RELEASE OF THE DEBTOR AND SETTLE ALL CLAIMS OF CREDITORS AND INTEREST HOLDERS, EXCEPT AS EXPRESSLY PROVIDED FOR IN THE PLAN.

IF THE BANKRUPTCY COURT CONFIRMS THE PLAN, CREDITORS' CLAIMS, IF AND TO THE EXTENT ALLOWED, WILL BE PAID IN ACCORDANCE WITH THE TERMS OF, AND AT SUCH TIME(S) SPECIFIED IN, THE PLAN.

B. Defined Terms

For purposes of this Disclosure Statement, all capitalized terms used herein, and not otherwise defined, shall have the meanings set forth in the Plan. A term used, but not defined, in the Plan, but defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to it in the Bankruptcy Code or the Bankruptcy Rules, unless the context clearly requires otherwise. The rules of construction used in Bankruptcy Code Section 102 shall apply to construction of this Disclosure Statement and the Plan. Headings and captions are used in this Disclosure Statement for the convenience of reference only, and shall not constitute a part of this Disclosure Statement for any other purpose.

II. EXECUTIVE SUMMARY OF THE PLAN

The Debtor's Plan is an "operating" Plan and not a "liquidating" Plan. That means the Debtor intends reorganize its finances and business affairs, continue its business operations, and pay its Creditors from revenue generated by future operations.

The following chart provides a summary of the classification of Creditors and Interests under the Plan and the anticipated aggregate amounts that will be allowed within each Class (on the Effective Date). This summary chart is purely an estimate based on the information presently available to the Debtor; the actual Distributions to certain Classes under the Plan may vary from the projections.

Class	Constituency	# of Claims	Estimated Distribution	Treatment
Unclassified	§507(a)(2)-Administrative Expense Claims	13	$2,655,000	Paid in full on the Effective Date of the Plan, or such date as approved by the Court, unless creditor agrees to different/less favorable treatment
Unclassified	§507(a)(8) Priority Tax Claims	1	Undetermined	Payment in Cash of the Allowed Amount of the Claim

				on the later of the Effective Date or the date such Claim becomes an Allowed Claim or the Holder of the Claim will receive regular installment payments in Cash of a value equal to the allowed amount of such Claim, unless creditor agrees to different and/or less favorable treatment.
Class 1	§507(a)(1), (4), (5), (6) & (7) – Priority Non-Tax Claims		$0	Paid in full on the Effective Date of the Plan, or such date as approved by the Court, unless creditor agrees to different/less favorable treatment.
Class 2	Allowed Secured Claim of TCTM Financial FS LLC	1	$30,569,860.12	Paid in full on the Effective Date of the Plan on account of its Allowed Pre-Petition Claim, in Cash, less credits for the Disputed Unpaid Other Fees, the Interest Credit, the AST Credit, the Letters of Credit Credit and the Multi-Card Credit, as defined in the Plan.
Class 3	Allowed Secured Claim of 510 Ocean Drive Debt Acquisition, LLC	1	$6,139,713.83	On the Effective Date, $4,000,000 converted to equity in the Reorganized WDC Bankruptcy Case and balance secured by assets of the Reorganized WDC bankruptcy estate.
Class 4	Allowed Secured Lease Claim of Actuant Corporation	1	$60,085.00	Lease rejected pursuant to Stipulation.
Class 5a	Allowed Secured Lease Claim of AIM Nationalease (Freightliner Truck)	1	$1,245.00	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.

Class 5b	Allowed Secured Lease Claim of AIM Nationalease (International Truck)	1	$1,122.00	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.
Class 6	Allowed Secured Lease Claim of Fifth Third Leasing Co.	1	$0	Lease has matured and no amounts due and owing. Debtor will surrender the subject collateral to the creditor and creditor will not receive any dividend under the Plan.
Class 7	Allowed Secured Lease Claim of McAllen Foreign – Trade Zone	1	$2,650.00	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.
Class 8	Allowed Secured Lease Claim of Xerox Corporation	1	$122.74	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.
Class 9	Allowed Unsecured Administrative Convenience Class Claims	162	$290,845.00	Unless creditor agrees to different/less favorable treatment, in exchange for full satisfaction of claim, each creditor will receive a cash payment equal to 75% of the Allowed amount of its Claim, without interest, within thirty days of the Effective Date.

Class 10	Allowed General Unsecured Claims	66	$4,063,181.00	Each Claim holder to receive a dividend, in Cash, in deferred quarterly payments, with the first payment being on the Effective Date, and subsequent payments within ninety days thereafter, for a period not to exceed five years from and after the Effective Date, unless Claim holders elect to receive 30% of their Allowed Claim paid in Cash on the Effective Date in complete satisfaction of their Allowed Claim.
Class 11	Unsecured Claim of FMRI, NRC and ODEQ	1	Undetermined	Commitment to decommission and remediate the Muskogee, Oklahoma site, in exchange for complete satisfaction of the Class 11 Claim.
Class 12	Allowed Claims Filed by the Pension Benefit Guaranty Corporation Relating to the Wellman Dynamics Corporation Salaried Employees Retirement Plan	1	$6,995,929.89	The Class 12 Claim will be treated and paid through the WDC Plan of Reorganization. Should WDC fail to make any of the WDC Class 14 claims payments, WDMA and, or, Fansteel shall pay the balance owed.
Class 13	General Unsecured Claim of Wellman Dynamics Corporation	1	$0	Satisfied by conversion of the Class 13 Claim debt into the equity interests to be given to WDC.
Class 14	Subordinated Unsecured Claims of Insiders	1	$0	Holder of Class 14 Claim to receive nothing under the Plan, unless the Debtor provides a 100% dividend to all holders of Allowed Claims in Classes 1 through 13.
Class 15	Equity Interests	1	$0	Cancelled on the Effective Date.

III. CONFIRMATION REQUIREMENTS: VOTE REQUIRED FOR APPROVAL OF THE PLAN

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON

CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing Claims. The Plan Proponents CAN NOT and DO NOT represent that the discussion contained below is a complete summary of the law on this topic.

A. Who may Vote or Object

1. Who May Object to Confirmation of the Plan

Any party in interest may object to confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

2. Who May Vote to Accept/Reject the Plan

A Creditor has a right to vote for or against the Plan if that Creditor has a Claim which is both (1) Allowed or Allowed for voting purposes and (2) classified in an Impaired Class.

a. What is an Allowed Claim

As noted above, a Creditor must first have an Allowed Claim to have the right to vote. Generally, any Proof of Claim will be allowed, unless a party in interest brings a motion objecting to the Claim. When an objection to a Claim is filed, the Creditor holding the Claim cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the Claim for voting purposes.

THE BAR DATE FOR FILING A NON-GOVERNMENTAL PROOF OF CLAIM IN THIS CASE WAS JANUARY 17, 2017 A Creditor may have an Allowed Claim even if a Proof of Claim is not timely filed. A Claim is deemed allowed if (1) it is scheduled on the Debtor's Schedules and such Claim is not scheduled as Disputed, Contingent, or Unliquidated, and (2) no party in interest has objected to the Claim.

b. What is an Impaired Claim

As noted above, an Allowed Claim only has the right to vote if it is in a Class that is Impaired under the Plan. A Class is Impaired if the Plan alters the legal, equitable, or contractual rights of the members of that Class. For example, a Class comprised of General Unsecured Claims is Impaired if the Plan fails to pay the members of that Class 100% of what they are owed.

In this case the Debtor believes that Classes 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, and 15 are Impaired, and that holders of Claims in these Classes are therefore entitled to vote to accept or reject the Plan. The Debtor believes that Classes 1 and 6 are Unimpaired and holders of Claims in these Classes do not have the right to vote to accept or reject the Plan. Parties who dispute the Debtor's characterization of their Claim as being Impaired or Unimpaired may file an objection to the Plan contending that the Debtor has incorrectly characterized the Class.

3. Who is Not Entitled to Vote ?

The following four types of Claims are not entitled to vote: (1) Claims that have been disallowed; (2) Claims in Unimpaired Classes; (3) Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2), (a)(3) and (a)(8); and (4) Claims in Classes that do not receive or retain any value under the Plan. Claims in Unimpaired Classes are not entitled to vote because such Classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2), (a)(3), and (a)(8) are not entitled to vote because such Claims are not placed in Classes and they are required to receive certain treatment specified by the Bankruptcy Code. Claims in Classes that do not receive or retain any value under the Plan do not vote because such Classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF A TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO CONFIRMATION OF THE PLAN.

4. Who can Vote in More than One Class?

A Creditor who's Claim has been allowed in part as a Secured Claim and in part as an Unsecured Claim is entitled to accept or reject the Plan in both capacities, by casting one ballot for the secured part of the Claim and another ballot for the Unsecured Claim.

5. Votes Necessary to Confirm the Plan

Since Impaired Classes exist, the Court cannot confirm the Plan unless (1) at least one Impaired Class has accepted the Plan without counting the votes of any Insiders within that Class, and (2) all Impaired Classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" on non-accepting Classes, as discussed later in paragraph 7 of this Section.

6. Votes Necessary for a Class to Accept the Plan

A Class of Claims is considered to have accepted the Plan when more than one-half (1/2) in number and at least two-thirds (2/3) in dollar amount of the Claims which actually voted, voted in favor of the Plan. A Class of Interests is considered to have accepted the Plan when at least two-thirds (2/3) in amount of the Interest holders of such Class which actually voted, voted to accept the Plan.

7. Treatment of Non-accepting Classes: Absolute Priority Rule

As noted above, even if all Impaired Classes do not accept the Plan, the Court may confirm the Plan as long as the non-accepting Classes are treated in the manner required by the Bankruptcy Code. The process by which non-accepting Classes are forced to be bound by the terms of a plan is commonly referred to as "cramdown." The Bankruptcy Code allows a plan to be "crammed down" on non-accepting Classes of Claims if it meets all consensual requirements, except the voting requirements of Bankruptcy Code § 1129(a)(8), and if the plan does not "discriminate unfairly" and is "fair and equitable" toward each Impaired Class that has not voted to accept the plan, as referred to in Bankruptcy Code § 1129(b), and applicable case law.

a. Secured Claims

There are three ways to satisfy the fair and equitable standard with respect to a dissenting Class of Secured Claims. The first way is to provide that Class members retain their security interests (whether the collateral is kept or is transferred by the Debtor) to the extent of their allowed Secured Claims, and to give each Secured Creditor in the Class deferred Cash payments that aggregate to at least the amount of the allowed Secured Claim, and which have a present value equal to the value of the collateral. This method of satisfying the fair and equitable standard may be complicated by the application of the Bankruptcy Code § 1111(b)(2). The meaning of "Allowed Secured Claim" as used in this paragraph will depend on whether the Secured Class makes a Bankruptcy Code § 1111(b)(2) election to be treated as fully secured despite the fact that the collateral may be worth less than the amount of the Claim.

The Bankruptcy Code § 1111(b)(2) Election converts an Unsecured Deficiency Claim into a Claim secured by the collateral of the electing Creditor. If a Creditor so elects, the Debtor must treat the Creditor's entire Claim as a Secured Claim, and the Plan must provide for the Creditor to receive, (on account of its Claim) payments (either present or deferred), of a principal face amount equal to the amount of the Claim and of a present value equal to the value of the collateral.

A second alternative for complying with the fair and equitable standard with respect to a Class of dissenting Secured Creditors is for the Plan to provide for the realization of the "indubitable equivalent" of their Secured Claims.

The third alternative for satisfying the fair and equitable standard is for the Plan to provide for the sale of the collateral free and clear of liens, with the liens to attach to the sale proceeds.

b. Unsecured Claims:

There are two ways of satisfying the fair and equitable standard with respect to a dissenting Class of Unsecured Claims. The first way is for the Plan to provide for Distributions to the dissenting Class worth the full amount of their Allowed Claims. The Allowed Claims need not be paid in full on the Effective Date of the Plan. The Debtor maintains that if the Plan provides for deferred payments, an appropriate discount factor must be used so that the present value of deferred payments equals the full amount of the Allowed Unsecured Claims of the dissenting Class.

The second way to satisfy the fair and equitable test with respect to a dissenting Class of Unsecured Creditors, is for the Plan to provide that all Claims and/or Interests that are junior to the dissenting Class do not receive or retain any property on account of their Claims or Interests. Accordingly, if a dissenting Unsecured Creditor Class is to receive property worth only one-half of its Allowed Claims, the Plan may still be fair and equitable if all junior Classes are to receive or retain nothing, and if no senior Class is to receive more than 100% of its Allowed Claims.

8. Request for Confirmation Despite Non-acceptance by Impaired Class(es)

If any Impaired Class does not accept the Plan, the Debtor will seek confirmation by the cramdown provisions of Section 1129(b), provided that all of the applicable requirements of Section 1129(a), other than Section 1129(a)(8), have been met.

IV. DESCRIPTION OF THE PLAN

The following description of the Plan is qualified in its entirety by the terms of the Plan itself.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN. THE STATEMENTS CONTAINED HEREIN DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN, AND REFERENCE IS MADE TO THE PLAN FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF WILL BE FILED CONTEMPORANEOUSLY WITH THIS DISCLOSURE STATEMENT, AND WILL CONTROL THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THE PLAN UPON THE EFFECTIVE DATE, AND WILL BE BINDING UPON CREDITORS, INTEREST HOLDERS AND OTHER PARTIES.

A. What Creditors and Interest Holders will Receive under the Plan

As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various Classes according to their right to priority. The Plan states whether each Class of Claims or Interests is Impaired or Unimpaired. The Plan also provides the treatment Claims and Interests in each Class will receive.

B. Unclassified Claims

Certain types of Claims are not placed into voting Classes; instead they are Unclassified. They are not considered Impaired and will not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Plan Proponents have not placed the following Claims in a Class.

1. Administrative Expense Claims

Administrative Expense Claims are Claims for costs and/or expenses of administering the Debtor's Bankruptcy Case which is allowed under Bankruptcy Code § 507(a)(2). The Bankruptcy Code requires that all Administrative Expense Claims be paid on the Effective Date of the Plan unless a particular claimant agrees to a different and/or less favorable treatment.

The Administrative Expense Claims will be paid proportionally by all three estates – the WDC Bankruptcy Case, Fansteel Bankruptcy Case, and WDMA Bankruptcy Case.

2. Court Approval of Fees Required

The Court must rule on all Professional Fees, except U.S. Trustee Quarterly Fees, before the fees will be paid. For all fees except the U.S. Trustee's fees, the professional or party seeking reimbursement must file and serve a properly noticed fee application and the Court must rule on the application. Only the amount of fees allowed by the Court will be paid under this Plan.

3. Priority Tax Claims

Priority Tax Claims include certain unsecured income, employment and other taxes described in Bankruptcy Code § 507(a)(8). The Bankruptcy Code requires that each holder of such a § 507(a)(8) Priority Tax Claim receive the present value of such Claim in deferred Cash payments, over a period not exceeding five (5) years from the Petition Date.

The Debtor is aware of two Priority Tax Claims - (1) the Internal Revenue Service has filed a proof of claim with a priority claim in the amount of $160,884.80; and (2) Hidalgo County and the City of McAllen. The Debtor asserts that the IRS Claim is contingent as it is based on an unassessed liability.

The priority tax claim of Hidalgo County and the City of McAllen for the 2017 ad valorem property taxes shall be paid in the ordinary course of business and these taxing entities shall not be required to file a request for allowance and payment of its claims. To the extent any taxes due to Hidalgo County and the City of McAllen for the 2017 tax year are not timely paid as required by state statute, the taxing entities shall be at liberty to pursue its state court remedies to collect said taxes without further order of the Bankruptcy Court. The statutory liens now securing said claims shall be retained until said taxes are paid in full.

Except to the extent that the holder of a particular Allowed Priority Tax Claim has agreed to a different and/or less favorable treatment of its Claim, such holder will receive on account of such Claim either: (i) in the case of an Allowed Secured Priority Tax Claim, payment in Cash by the Reorganized Debtor the allowed amount of such Secured Priority Tax Claim on the later of the Effective Date or the date such Claim becomes an Allowed Claim; or (ii) the holder of such a Claim will receive on account of such Claim regular installment payments in Cash, of a value, as of the Effective Date of the Plan, equal to the allowed amount of such Claim. In the event the holder of such a Claim will receive deferred Cash payments, such Claim holder shall receive equal monthly installments of principal and interest beginning on the first day of the month following the Effective Date and amortized over a period equal to but not exceeding five (5) years after the Petition Date, with such equal monthly installments based on the allowed amount of such Claim with interest thereon calculated pursuant to Bankruptcy Code § 511. The treatment proposed for Priority Tax Claims as outlined above also applies to any claims that are secured by perfected tax liens. Secured tax creditors shall retain their liens until the claims are paid in full.

C. Classified Claims and Interests

1. Class 1 - Priority Non-Tax Claims

Class 1 includes certain Priority Non-Tax Claims that are referred to in Bankruptcy Code Sections 507(a)(1), (4), (5), (6), and (7) that are required to be placed in Classes. These are

generally for Domestic Support Obligations, Wages, and Contributions to Employee Benefit Plans, Grain Production and Purchase/Lease Deposits.

These types of Claims are entitled to priority treatment as follows: the Bankruptcy Code requires that each holder of such a Claim receive Cash on the Effective Date equal to the Allowed amount of such Claim. However, Priority Non-Tax Claim holders may vote to accept deferred Cash payments (of a value as of the Effective Date) equal to the Allowed amount of such Claim. These Claims are Unimpaired.

Except to the extent that the Holder of an Allowed Class 1 Claim has agreed to different and/or less favorable treatment of such Claim, each Holder of an Allowed Class 1 Claim shall be paid in Cash the Allowed amount of such Claim on the later of (i) the Effective Date or (ii) the entry of a Final Order approving such Claim.

2. Class 2– Allowed Secured Claim of TCTM Financial FS LLC

Class 2 consists of the Allowed Secured Claim of TCTM Financial FS LLC ("TCTM"), which includes obligations owing both before and after the Petition Date by the Debtor to TCTM. TCTM filed a Proof of Claim asserting a secured claim in the amount of $30,569,860.12 as of the Petition Date, based on certain promissory notes and security agreements referenced and itemized in its Proof of Claim, identified as Claim No. 39 of the Court's Claim Register in this Case. The promissory notes and security agreements were assigned to TCTM from Fifth Third Bank on or about September 1, 2016, as described in TCTM's Proof of Claim. The Class 2 Claim is Impaired.

The Debtor does not dispute the TCTM Proof of Claim, except for one issue: the Debtor disputes the full amount claimed for "Other Unpaid Fees". TCTM claims $357,530.02 for "Other Unpaid Fees" on its Proof of Claim. After review of additional documentation and information provided by Fifth Third Bank concerning this amount, the Debtor asserts that at least $292,364 of that $357,530.02 was included in the "Revolver Balance" on the Proof of Claim. As such, the Debtor believes the Proof of Claim is overstated by $292,364 (the "Disputed Unpaid Other Fees"), plus a credit for an amount of interest the Debtor asserts it has been paying interest twice on that amount (the "Interest Credit"). TCTM has agreed to withdraw the disputed portion in the amount of $292,364 from its Claim.

TCTM has included on its Proof of Claim a line item of $500,000 for the "Multi-Card" program on account of its credit backup to Fifth Third Bank which administered the Multi-Card program the Debtor Fansteel used. Subsequent to the Petition Date, the Debtor Fansteel's Multi-Card program with Fifth Third Bank was terminated and the Debtor Fansteel paid all outstanding amounts then due to Fifth Third Bank. The Debtor here is further informed that upon termination of the Debtor Fansteel's use of the Multi-Card program, TCTM was released of its credit backup obligation to Fifth Third Bank and $500,000 of TCTM's security for the credit backup was released by Fifth Third Bank to TCTM. The Debtor here therefore asserts it should be entitled to a reduction or other credit from TCTM for $500,000 from its Proof of Claim ("Multi-Card Credit").

There is currently pending a motion by the Debtor Fansteel, proposing to sell its American Sintered Technologies ("AST") division, and TCTM will be receiving net sale proceeds and additional funds in connection with that sale on account of its security interests on those assets. The Debtor herein asserts that it will be entitled to a credit for the net sale proceeds and additional funds (the "AST Credit").

The Debtor is informed TCTM has and will continue to assert that its claim is subject to supplemental amounts for pre- and post-petition attorney fees and other reimbursable expenses provided for under its promissory notes and security documents. TCTM also asserts that it is entitled to the payment of additional interest accrued pursuant to the terms of its promissory notes and loan documents given the default status of the notes. The Class 2 Claim is Impaired.

On the Effective Date, the Holder of the Class 2 Claim will be paid in full on account of its Allowed Pre-Petition Claim, in Cash, less the credits for the Disputed Unpaid Other Fees, the Interest Credit, the AST Credit and the Multi-Card Credit in the amount of $500,000.

TCTM's Allowed Secured Claim will further be adjusted pending resolution of TCTM's request for payment of professional fees under Bankruptcy Code Section 506. The Debtor will pay the full amount asserted by TCTM for professional fees into a separate escrow account until allowance and payment of TCTM's professional fees is authorized by either stipulation or Court order (the "Post-Confirmation Attorney Fee Reserve").

The Class 2 Claim shall be paid from a combination of the New Senior Secured Credit Facility, and the New Value Equity Investment Cash, in addition to the credits referenced above and the Letters of Credit. On the Effective Date, the Class 2 Claim Holder shall release all liens, claims and encumbrances on all the assets of the Fansteel, Wellman Dynamics Corporation ("WDC"), and Wellman Dynamics Machinery & Assembly Inc. ("WDMA") cases.

3. Class 3 - Allowed Secured Claim of 510 Ocean Drive Debt Acquisition, LLC

Class 3 consists of the Allowed Secured Claim of 510 Ocean Drive Debt Acquisition, LLC ("510 Ocean Drive"), which includes obligations owing both before and after the Petition Date by the Debtor to 510 Ocean Drive. The Debtor estimates that as of the Effective Date, the amount owed to 510 Ocean Drive will be approximately $6,139,713.83. The Class 3 Claim is Impaired.

On the Effective Date, $4,000,000 of the Class 3 Claim will be converted to equity in the Reorganized WDC Bankruptcy Case, and the balance of the Class 3 Claim will be secured by the assets of the Reorganized WDC bankruptcy estate and subordinate to the New Senior Secured Credit Facility, Bieber, and the interests of the Collateral Trust. The Class 3 Claim shall not receive any payments on account of the Class 3 Claim until the Allowed Claims in Classes 1-10 have been paid in full.

The Committee has informed the Debtor that the Committee disputes this Class 3 Claim.

4. Class 4 - Allowed Secured Lease Claim of Actuant Corporation

Class 4 consists of the Allowed Secured Lease Claim of Actuant Corporation ("Actuant") for the lease of commercial/industrial real estate and buildings at 1739 Commerce Road, Creston, Iowa (the "Actuant Lease"). Class 4 is Impaired.

Actuant and the Debtor entered into a Stipulation rejecting the Actuant Lease. Pursuant to the Stipulation and Consent Order at Docket Item 267, Actuant is entitled to a post-petition administrative expense claim for post-petition rent for the "Gits Building" between the Petition Date and the date the Debtor actually vacated the premises. The Debtor agreed to vacate the building by no later than November 15, 2016. The post-petition administrative expense rent claim for October was paid within 14 days after entry of the Consent Order and the balance for September and November shall be paid in full upon Confirmation of the Plan. The Class 4 Claim Holder shall be entitled to a Lease Rejection Damages Claim in the amount of $60,085.00.

5. Class 5a - Allowed Secured Lease Claim of AIM Nationalease (Freightliner Truck)

Class 5a consists of the Allowed Secured Claim of AIM Nationalease ("AIM") for the lease of a 2014 Freightliner Truck (the "AIM Freightliner Lease"). The Class 5a Claim is Impaired.

The Allowed amount of the Class 5a Claim shall be assumed by the Reorganized Debtor as of the Effective Date and assigned to Embassy Powered Metals, Inc. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in cash, on or before the Effective date, unless the Class 5a Claim Holder agrees to different and/or less favorable treatment. The Class 5a Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 5a Claim, and the legal, equitable or contractual rights to which the Class 5a Claim Holder is entitled shall not be altered, except as expressly modified herein. The estimated cure amount is $1,245.00.

6. Class 5b - Allowed Secured Lease Claim of AIM Nationalease (International Truck)

Class 5b consists of the Allowed Secured Lease Claim of AIM Nationalease ("AIM") for the lease of a 2016 International Truck (the "AIM International Lease"). The Class 5b Claim is Impaired.

The Allowed amount of the Class 5b Claim shall be assumed by the Reorganized Debtor as of the Effective Date and assigned to Embassy Powered Metals, Inc. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in cash, on or before the Effective date, unless the Class 5b Claim Holder agrees to different and/or less favorable treatment. The Class 5b Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 5b Claim, and the legal, equitable or contractual rights

to which the Class 5b Claim Holder is entitled shall not be altered, except as expressly modified herein. The estimated cure amount is $1,122.00.

7. Class 6 - Allowed Secured Lease Claim of Fifth Third Leasing Co.

Class 6 consists of the Allowed Secured Lease Claim of Fifth Third Leasing Co. ("Fifth Third Leasing") for the lease of a 200 ton upright sizing press (the "Fifth Third Leasing Lease"). As of the filing date of this Plan, Fifth Third Leasing has not filed a proof of claim. Based on the Debtor's books and records, the lease has matured and no amounts are due and owing on account of the Class 6 Claim. The Class 6 Claim is Unimpaired.

To the extent the Class 6 Claim Holder has not retrieved its collateral, the Debtor will cooperate in surrendering the subject collateral to the Class 6 Claim Holder or its agent. The Class 6 Claim shall not receive any dividend under this plan.

8. Class 7 - Allowed Secured Lease Claim of McAllen Foreign – Trade Zone

Class 7 consists of the Allowed Secured Real Estate Lease Claim of McAllen Foreign Trade Zone ("McAllen") for the lease of Warehouse Building "N" located at 3600 Formosa, McAllen, TX (the "McAllen Lease"). The Class 7 Claim is Impaired.

The McAllen Lease shall be assumed by the Reorganized Debtor as of the Effective Date. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the Class 7 Claim Holder agrees to different and/or less favorable treatment. The Class 7 Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 7 Claim, and the legal, equitable or contractual rights to which the Class 7 Claim Holder is entitled shall not be altered, except as expressly modified herein. The estimated cure amount is $2,650.00.

9. Class 8 - Allowed Secured Lease Claim of Xerox Corporation

Class 8 consists of the Allowed Secured Claim of Xerox Corporation ("Xerox") for the lease of a Kyocera KM-3035 (the "Xerox Lease"). The Class 8 Claim is Impaired.

The Xerox Lease shall be assumed by the Reorganized Debtor as of the Effective Date and assigned to Embassy Powered Metals, Inc. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the Class 8 Claim Holder agrees to different and/or less favorable treatment. The Class 8 Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 8 Claim, and the legal, equitable or contractual rights to which the Class 8 Claim Holder is entitled shall not be altered, except as expressly modified herein.

10. Class 9 - Allowed Unsecured Administrative Convenience Class Claims

Class 9 is an Administrative Convenience Class pursuant to Bankruptcy Code Section 1122(b). Class 9 consists of each Unsecured Claim against the Debtor that is not otherwise entitled to priority, that is not otherwise classified in this Plan, and that meets either of the following two requirements: (i) the Holder of such Claim asserts Unsecured Claims in the aggregate against the Debtor of $7,500.00 or less; or (ii) if the Unsecured Claims of a Creditor exceed $7,500.00, the Holder of such Claims irrevocably elects to limit the total of all Unsecured Claims held by such Holder against the Debtor to no more than $7,500.00. The Debtor believes that as of the Petition Date, there are approximately One Hundred Sixty Two (162) Class 9 Claims totaling approximately $290,845.00 (without regard to any Holders of Class 10 Claims that may elect Class 9 treatment). Class 9 is Impaired.

Except to the extent that a Holder of a particular Class 9 Claim agrees to different and/or less favorable treatment of its Claim, each Holder of an Allowed Class 9 Claim shall receive, in exchange for and in full satisfaction of such Claim, a Cash payment equal to 75% of the Allowed amount of such Claim, without interest, within Thirty (30) days of the Effective Date. Any Creditor asserting Unsecured Claims totaling more than $7,500.00 in amount that wishes to elect Class 4 treatment of its Unsecured Claim must make such election on the ballot accompanying this Plan.

11. Class 10 - Allowed General Unsecured Claims

Class 10 consists of all Allowed General Unsecured Claims that are: (i) against the Debtor and not otherwise entitled to priority; (ii) are not held by an insider of the Debtor, as that term is defined in the Bankruptcy Code, and (iii) not otherwise classified above. There are approximately Sixty Six (66) Claims in Class 10, and the total amount of such Claims is approximately $4,063,181. Class 10 is Impaired.

Each holder of a Class 10 Claim shall receive, in exchange for and in full satisfaction of such Claim, a dividend, in Cash, in deferred quarterly payments, with the first payment being on the Effective Date, and subsequent payments within Ninety (90) days thereafter, for a period not to exceed Five (5) years from and after the Effective Date. The quarterly dividend shall be divided Pro-Rata among all Class 10 Claim Holders based on the amount of their respective Allowed General Unsecured Claims. The Debtor estimates that the minimum total amount of such dividends to be paid on all Allowed Class 10 Claims shall be equal to 100% of such Claims, plus interest at 3.0% per annum, as and from the Effective Date. The Class 10 Claims will be paid through the Debtor Fansteel's Bankruptcy Estate and not by the WDC Bankruptcy Estate or the WDMA Bankruptcy Estate.

It is estimated that the unsecured creditors will receive full repayment from the Collateral Trust. Class 10 Claim Holders may elect one of two options. For the first option, the Class 10 Claim Holders may elect to receive one hundred percent (100%) of their Allowed Claim within five (5) years plus annual amortized interest of 3% as follows: (a) the first four (4) quarters (Quarters 1-4) shall receive a payment of interest only and the first payment shall be made within thirty (30) days from the Effective Date; (b) the next fifteen (15) quarters (Quarters 5-19) shall receive a payment of principal and interest and payment shall be made in advance within ten (10)

days from the first day of each quarterly payment; and (c) the one final payment (Quarter 20) of accrued interest and principal is due as a full settlement no later than the end of the final amortization day. Attached hereto as Exhibit "A" is a detailed amortization schedule in support of this first option. These payments are discretionary in only one instance – the New Senior Secured Credit Facility may require a minimum EBITDA in excess of fixed charge obligations. The Debtor anticipates a minimum of 1.1 ratio, which means that the Debtor needs 10% more cash flow than what it is obligated to pay to the bank, before the Debtor can make other debt payments. The Debtor's projections indicate that it will always exceed the minimum fixed charge coverage ratio and therefore the Debtor anticipates payments will not need to be discretionary and will be made as scheduled.

The second option for Holders of Class 10 Claims is to elect to receive thirty percent (30%) of their Allowed Claim paid in full on the Effective Date in complete satisfaction of their Allowed Claim. If Holders of Allowed Class 10 Claims wish to elect to receive payment of Thirty Percent (30%) of their Claim in full satisfaction of said Claim, they must clearly select such option on their Ballot and timely submit same by the Ballot Deadline.

Pursuant to Bankruptcy Code § 1111(a), a Proof of Claim is deemed filed under Bankruptcy Code § 501 for any Claim that appears in the Debtor's schedules, except for Claims that the Debtor specifically scheduled as disputed, contingent and/or unliquidated. In the case where the Debtor duly scheduled Claims as either disputed, contingent and/or unliquidated, and no Proof of Claim was timely filed by such Claim holder, such scheduled debt shall not be deemed a Claim, and shall not participate in this Plan or receive any dividend on account of such scheduled debt under Class 10 treatment.

The Reorganized Debtor shall be entitled and authorized to immediately pre-pay all the Class 10 Claim Holders in an amount equal to 100% of their respective Allowed Class 10 Claims, with interest, at the Debtor's sole discretion, and any such pre-payment shall be in full and complete satisfaction of its obligations under the Plan, and be a discharge of its obligations to pay any further dividend to Allowed Class 10 Claim holders.

All Allowed Class 10 Claims shall be deemed assigned to the Collateral Trust; in exchange, each Holder of an Allowed Class 10 Claim shall receive a Pro Rata beneficiary's interest in the Collateral Trust, such Pro Rata interest to be based on the Allowed amount of each Class 10 Claim. The payment obligation on account of the Class 10 Claims shall be evidenced by the Class 10 Promissory Note payable to the Collateral Trust and executed by the Reorganized Debtor, who shall be liable for payment of the Class 10 Promissory Note.

The initial principal amount of the Class 10 Promissory Note shall be equal to the total of all Class 10 Claims against the Debtor, except such Class 10 Claims as have been disallowed or otherwise fixed in a lesser amount by a Final Order of the Bankruptcy Court entered before the Effective Date. The principal amount of the Class 10 Promissory Note shall be adjusted (the "Adjusted Principal Amount") to reflect (a) any Class 10 Claims that are increased, reduced, or disallowed by a Final Order of the Bankruptcy Court entered after the Effective Date, and (b) any Class 10 Claims the Holders of which elected to have their Class 10 Claims treated in accordance with Class 9 Claims. Likewise, the principal balance of the Class 10 Promissory Note shall be adjusted to reflect principal payments made pursuant to this Plan.

The Class 10 Promissory Note shall provide for interest at the rate of three percent (3.0%) per annum, and shall be paid in quarterly installments (the "Class 10 Quarterly Payments") as follows: (i) the first quarterly payment due date shall be made on the Effective Date, and (ii) each successive quarterly payment due date shall be exactly three months after the immediately preceding payment due date (each, a "Class 10 Quarterly Payment Date").

To the extent any Class 10 Quarterly Payment Date falls on a day that is not a Business Day, the payment to be made on such date shall be made on the next Business Day. The Class 10 Promissory Note may be prepaid without penalty. The Reorganized Debtor shall receive credit for any payments that are excess payments due to adjustments in the principal amount of the Class 10 Promissory Note, with any such credits being applied against the next due Class 10 Quarterly Payment.

The Reorganized Debtor shall satisfy its payment obligations under the Class 10 Promissory Note by making payments directly to holders of Allowed Class 10 Claims, each Claimant to receive a Pro Rata portion of the payment then due under the Class 10 Promissory Note based on the amount of such Claimant's Allowed Claim.

The Reorganized Debtor shall create a Contested Claims Reserve consisting of one hundred percent (100%) of the principal amount of (i) any Class 10 Claims that are, as of the Effective Date, Contested Claims; and (ii) Claims that become Contested Claims by the filing of an objection to such Claims. If a Contested Class 10 Claim becomes Allowed, the Holder of such Class 10 Claim shall be entitled to catch-up distributions from the Contested Claims Reserve beginning on the next Class 10 Quarterly Payment Date; provided, however, that if the Contested Class 10 Claim becomes Allowed after all Class 10 Quarterly Payments have been made, the Holder of such Class 10 Claim shall be entitled to a single catch-up distribution within ten (10) days of entry of a Final Order allowing the Class 10 Claim to be paid in full. If a Contested Class 10 Claim is disallowed (in part or in whole), an amount of the Contested Claims Reserve equal to the disallowed amount shall be released to the Reorganized Debtor.

To secure the Reorganized Debtor's obligations under the Class 10 Promissory Note, the Reorganized Debtor shall grant the Collateral Trust Security Interest to the Collateral Trust. The Collateral Trust Security Interest shall be a first priority security interest subordinate only to (a) the security interest held by the New Senior Secured Credit Facility lender; and (b) any purchase-money security interests in leased tangible personal property assets.

The Collateral Trust Security Interest is valid, perfected, enforceable and effective as of the Effective Date, in all of the Debtor's assets and interests except real estate, without any further action by the Collateral Trust and/or the Collateral Trustee and without the necessity of the execution, filing or recordation of any financing statements, security agreements or other documents. Notwithstanding the foregoing, the Collateral Trust and/or the Collateral Trustee shall be authorized, but not required, to file or record financing statements, trademark filings, notices of lien or similar instruments in any jurisdiction, or take any other action in order to validate and perfect such liens and security interests. The Collateral Trust Security Interest shall continue and remain perfected in any collateral that is the subject of any unauthorized transfer of property by the Debtor and/or Reorganized Debtor.

The Collateral Trust shall execute documentation reasonably necessary to effectuate any subordination of security interests authorized by this Plan, the Subordination Agreement, or ordered by the Bankruptcy Court.

An event of default shall occur if the Reorganized Debtor (a) fails to make any regular payment under the Class 10 Promissory Note when such payment is due; (b) fails to remit the proceeds of any of the Collateral Trust's collateral as required by this Plan and as set forth in the Collateral Trust Agreement and the Class 10 Promissory Note; (c) subordinates the Collateral Trust Security Interest in an amount exceeding $40,000,000 without the express written consent of the Collateral Trustee; or (d) sells, disposes of or otherwise compromises the collateral securing the Collateral Trust Security Interest outside the ordinary course of business without the express written consent of the Collateral Trustee. The Collateral Trustee is permitted, in his sole discretion, and subject to any restrictions in the Collateral Trust Agreement, to exercise default remedies in the event one of the above defaults is committed, pursuant to this Plan, the Collateral Trust Agreement or the Class 10 Promissory Note.

12. Class 11 - Unsecured Claim of FMRI, NRC, and ODEQ

Class 11 consists of Debtor's obligation to decommission and remediate a former operations site in Muskogee, Oklahoma, which is contaminated with radiological materials and hazardous chemicals. The 2003 Chapter 11 Plan provided for transfer of the Muskogee Site to FMRI, a wholly owned subsidiary of the Debtor. The Debtor just recently discovered an error defect in the Special Warranty Deed transferring the Site to FMRI. As a result, 79.38 acres of the Site is currently titled in the Debtor's name and 10.36 acres of the Site is titled in the name of FMRI. FMRI was created as part of Debtor's earlier 2003 Chapter 11 case, and FMRI holds Nuclear Regulatory Commission ("NRC") license SMB-911, which was originally issued to Fansteel. The license, issued pursuant to the Atomic Energy Act and NRC regulations, requires FMRI to decommission and remediate the site according to an NRC-approved decommissioning plan. The obligation to comply with the NRC license continues to exist.

As part of the 2003 Chapter 11 reorganization, Fansteel agreed through three promissory notes to fund the decommissioning and remediation of the FMRI site. A balloon payment of approximately $17,300,000 was due by December 31, 2013, but was not made. Fansteel currently owes $16,509,657 on the primary note and $3,636,000 on the secondary note. The third note is a contingent note that covers any costs above those amounts needed to remediate soils and groundwater.

In addition, a Decommissioning Trust was established. The 2003 Reorganization Plan required Fansteel to pay certain insurance proceeds to the Decommissioning Trust. In November 2010, Fansteel received an insurance settlement involving environmental claims related to the Muskogee Site in the amount of $1,238,680. These funds should have been deposited into the Decommissioning Trust but were instead used for the operation of Fansteel. Accordingly, Debtor continues to be liable to the Decommissioning Trust for $1,238,680.

In its Proof of Claim, the NRC asserts that the Debtor and any reorganized Debtor is liable to comply with mandatory injunctive requirements related to work and financial assurance obligations imposed under the Atomic Energy Act, applicable NRC regulations and the

conditions of NRC license SMB-911 because such obligations are not claims under 11 U.S.C. §101(5). In the alternative, NRC's Proof of Claim asserts that the NRC holds a general unsecured claim as a third party beneficiary to the amounts owed by Fansteel to FMRI under the FMRI Primary Note, Secondary Note, Contingent Note, and the right to certain insurance proceeds required to be used to decommission and remediate the Muskogee Site. (Claim 76-1 Part 2).

FMRI also is subject to Oklahoma jurisdiction to remediate chemical contamination that includes chlorinated solvent as well as commingled radiological and hazardous chemical contamination in soil and groundwater. In its Proof of Claim, ODEQ asserts that the Debtor and any reorganized Debtor is liable to comply with mandatory injunctive requirements related to work obligations imposed under Title 27A Oklahoma Statutes § 2-1-101 *et seq.*, because such obligations are not claims under 11 U.S.C. §101(5). In the alternative, ODEQ's Proof of Claim asserts that the ODEQ holds a general unsecured claim as a third party beneficiary to the amounts owed by Fansteel to FMRI under the FMRI Primary Note, Secondary Note, Contingent Note, and the right to certain insurance proceeds required to be used to decommission and remediate the Muskogee Site.

FMRI carries out health and safety activities necessary to ensure the security of the Site and to prevent migration or release of radiological or chemical contamination from the site. FMRI operates a groundwater collection interceptor trench around the down gradient perimeter of the site to capture and treat contaminated shallow groundwater migrating toward the Arkansas River, and a treatment system to treat it. In addition, FMRI discharges treated wastewater to the Arkansas River by authority of OPDES Permit OK0001643. Regular monitoring, reporting and maintenance is required to comply with the permit.

The Debtor commits to continuing to decommission and remediate the Muskogee, Oklahoma site, in accordance with NRC licensing requirements and a revised decommissioning plan and protocol approved by those parties interested in decommissioning and remediation of the Muskogee, Oklahoma site, in exchange for complete satisfaction of the pre-petition Class 11 Claim.

The Debtor estimates that its immediate commitment will require monthly payments to the FMRI for health and safety expenses. In addition, Debtor will continue with the removal of the Work-In Progress on a schedule agreed to by the NRC and Debtor that will be partially funded by the Decommissioning Trust.

Finally, Debtor proposes a revised decommissioning plan and protocol which is anticipated to include three stages. The first stage involves preparing all of the required plans, including summarizing existing data, submitting them to the NRC and the ODEQ modifying the plans and obtaining approval from both the NRC and ODEQ. This first stage is anticipated to take approximately 12-18 months..

The second stage involves preparing a work plan for collecting additional data, and upon approval of the work plan by NRC and ODEQ collecting the necessary data from the field. Collection of the data, including soil, groundwater, radiological scans, etc., is anticipated to take

approximately one year to complete once the NRC and OKDEQ has approved the work plan, which includes submission of the final report to the NRC and ODEQ.

The third stage involves developing remedial alternatives for radiological and non-radiological contamination and selection of a preferred remedy for both to be approved by both NRC and ODEQ.

This revised decommissioning plan and protocol assumes typical turnaround time, but does not include NRC or ODEQ costs to review. All three stages are anticipated to be completed by 2022.

13. Class 12 – Allowed Claims Filed by the Pension Benefit Guaranty Corporation Relating to the Wellman Dynamics Corporation Salaried Employees Retirement Plan

Class 12 consists of the Allowed Claims filed by the Pension Benefit Guaranty Corporation ("PBGC") relating to the Wellman Dynamics Corporation Salaried Employees Retirement Plan.

WDC sponsors and maintains a defined benefit pension plan known as the Wellman Dynamics Corporation Salaried Employees' Retirement Plan (the "Pension Plan"). The Pension Plan is covered by Title IV of the Employee Retirement Income Security Act of 1974, as amended 29 U.S.C. §§ 1301-1461 (2012, Supp. II 2014) ("ERISA").

The PBGC is the wholly-owned United States government corporation and agency of the United States created under Title IV of ERISA to administer the federal pension insurance programs and enforce compliance with the provisions of Title IV. PBGC guarantees the payment of certain pension benefits upon termination of a pension plan covered by Title IV.

WDC and all members of its controlled group are obligated to pay the contributions necessary to satisfy the minimum funding standards under sections 412 and 430 of the Internal Revenue Code ("IRC") and sections 302 and 303 of ERISA. 26 U.S.C. § 412(c)(11), 29 U.S.C. § 1082(c)(11).

The Pension Plan may be terminated only if the statutory requirements of either ERISA section 4041, 29 U.S.C. § 1341 or ERISA section 4042, 29 U.S.C. § 1342, are met. In the event of a termination of the Pension Plan, WDC and all members of its controlled group are jointly and severally liable for the unfunded benefit liabilities of the Pension Plan. *See* 29 U.S.C. § 1362(a). WDC and all members of its controlled group are also jointly and severally liable to PBGC for all unpaid premium obligations owed by WDC on account of the Pension Plan. *See* 29 U.S.C. § 1307.

Class 12 is partially secured by a 2009 mortgage on certain assets of Intercast.

The Debtors have decided to continue and maintain the Pension Plan. They will fund the Pension Plan in accordance with the minimum funding standards under the Internal Revenue Code and ERISA, pay all required PBGC insurance premiums, and continue to administer and operate the Pension Plan in accordance with the terms of the Pension Plan and provisions of

ERISA. Since the Pension Plan will remain ongoing when the Debtors' reorganization plan becomes effective, the PBGC's contingent Proof of Claim No. 66 in the amount of $5,538,828.00 will be deemed withdrawn.

The Class 12 Claim is Impaired.

No provision contained herein, the Plan of Reorganization, the Order Confirming the Plan of Reorganization, or section 1141 of the Bankruptcy Code, shall be construed as discharging, releasing or relieving any party, in any capacity, from any liability with respect to the Pension Plan under any law, government policy or regulatory provision. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility against any party as a result of any of provisions for satisfaction, release, injunction, exculpation, and discharge of claims in the Plan of Reorganization, Confirmation Order, Bankruptcy Code, or any other document filed in any of the Debtors' bankruptcy cases.

The Class 12 Claims will be treated and paid through the WDC Plan of Reorganization. Should WDC fail to make any of the WDC Class 14 Claim payments, WDMA and, or, Fansteel shall pay the balance owed.

14. Class 13 - General Unsecured Claim of Wellman Dynamics Corporation

Class 13 consists of the General Unsecured Claim of Wellman Dynamics Corporation against the Debtor. The Debtor owes WDC approximately $32,106,036 in inter-company debt. The Class 13 Claim is Impaired.

The Class 13 Claim shall be satisfied in full by conversion of the Class 13 Claim debt into the equity interests to be given to WDC, resulting in WDC becoming the 100% owner of all the Equity Interest in Fansteel after the Effective Date. The Debtor Fansteel shall become a wholly-owned subsidiary of WDC after the Effective Date.

15. Class 14 - Subordinated Unsecured Claims of Insiders

Class 14 consists of all Allowed Subordinated Unsecured Claims held by an Insider of the Debtor against the Debtor. The Debtor believes IP 3 North America, LLC, Leonard Levie, and Black Advisors are Insiders of the Debtor. Class 14 Claims are Impaired.

The Holders of Class 14 Claims shall receive nothing under the Plan, unless the Debtor provides a 100% dividend to all Holders of Allowed Claims in Classes 1 through 13 inclusive. Notwithstanding the foregoing payment provisions, in the event (1) the Debtor pays a 100% dividend plus interest to all Class 10 Claim holders; and (2) the Debtor has the ability to pay a Dividend to the Holders of Allowed Class 14 Claims, such Dividend shall be subordinated to the Allowed Claims of Classes 1 through 13 under the Plan, such that no payment shall be made on account of any Allowed Class 14 Claim unless and until: (1) the Allowed Claims of Class 10 have been paid in full; and (2) the Debtor is current with respect to its payment obligations to holders of Allowed Claims in Classes 1 through 13.

Subordination of Insider Claims is not required under the Bankruptcy Code; however, the Plan's subordination of such Claims reflects the Debtor's belief that the Claims of other

Creditors of the Debtor generally should be paid before the Debtor pays Insiders.

16. Class 15 – Equity Interests

Class 15 consists of the equity interests in the corporate Debtor represented by all of the issued and outstanding shares in the Debtor, as of the Petition Date. The majority of shares of the corporate Debtor are owned by 510 Ocean Drive and Leonard Levie. Class 15 is Impaired. The Class 15 Equity Interests shall be cancelled on the Effective Date. The 100% of Equity Interests in the Reorganized Debtor Fansteel will be held and owned by WDC.

17. Reservation of Rights on Classification Disputes

In the event any Creditor challenges its classification under the Plan, the Debtor reserves the right to seek Court determination of the appropriate classification. Such determination shall not be a condition precedent to confirmation of the Plan and may be effected through the Claims Objection process. Should the Creditor prevail in its classification challenge, such Creditor shall be treated under the Plan as if such Creditor were classified as so determined. In addition, the classification of Claims in specific classes is not an admission of the ultimate validity, enforceability, perfection, or liability of such Claims and the Debtor expressly reserve all rights with respect to any objections to or other litigation on such Claims.

V. SUMMARY OF THE MEANS FOR EFFECTUATING THE PLAN

A. General Overview

After confirmation of the Debtor's Plan, the Reorganized Debtor will continue the same general business activities the Debtor was engaged in both pre- and post-petition, primarily that of operation of an investment casting foundry producing castings primarily for the energy, automotive and other similar markets, with the Reorganized Debtor maintaining its existing business form. The Reorganized Debtor will remain current on all of its post-Confirmation Date obligations while using profits, retained earnings, liquid estate property, and the proceeds from business operations to treat and retire Creditors' Claims as described above and as they may arise in the future.

The principal vehicle for implementation of the Plan shall be retirement of the TCTM Credit Facility, with it being replaced by the New Senior Secured Credit Facility, secured by the assets of Fansteel, WDC and WDMA. Additionally, the Debtor's exit financing strategy will include New Value Equity Investment Cash for the benefit of all three bankruptcy estates.

Any Unclassified Claims or Classified Claims that are not Allowed as of the Effective Date, but become Allowed Claims pursuant to a Final Order after the Effective Date, shall be promptly paid after the Effective Date and after they have become Allowed Claims by Final Order of the Court as set forth in this Plan.

B. Fansteel Debt Converted to Equity in Wellman Dynamics

Fansteel's inter-company debt of $32,106,036 owed to WDC shall be converted into WDC's 100% equity ownership of Fansteel. All prior equity interests in Fansteel shall be cancelled on the Effective Date.

C. Fansteel Debt to 510 Ocean Drive Converted to Equity in Wellman Dynamics

$4,000,000 of the Class 3 Claim of 510 Ocean Drive shall be converted into a corresponding amount of Equity in Reorganized WDC. The remaining debt of Fansteel owed to the Class 3 Claim Holder shall be subordinated.

D. New Senior Secured Credit Facility

The Debtor shall receive a corresponding share of the New Senior Secured Credit Facility to facilitate meeting its payment obligations under the Plan on the Effective Date. The Debtors have identified The Huntington National Bank ("Huntington Bank") to provide its New Senior Secured Credit Facility. Huntington Bank will provide the Debtors with $30,000,000 in exit financing and for working capital and other general corporate purposes including letters of credit on or before the Effective Date. Attached hereto as Exhibit "B" and incorporated by reference herein is the February 23, 2017 Proposal Letter from Huntington Bank (the "Proposal Letter") and Preliminary Term Sheet (the "Term Sheet"). The Debtor maintains that the Proposal Letter and Term Sheet reflect a bona fide offer already approved by Huntington Bank's loan committee and includes the signature of Mr. Larry Swinney, Huntington Bank's Senior Vice President. The Proposal Letter contemplates payment by the Debtors of an initial deposit of $60,000.00 to conduct a credit and due diligence investigation of the Debtors. The Debtors will provide such initial deposit upon execution of the Proposal Letter, but no later than March 3, 2017, as contemplated by the Proposal Letter. The Debtors anticipate that a fully-executed commitment letter from Huntington Bank will be provided prior to the Confirmation Date.

The Term Sheet requires, in addition to the New Value Equity Investment Cash from 510 Ocean Drive, an additional $5 million infusion of cash collateral to secure the New Senior Secured Credit Facility. The Debtor anticipates that this additional $5 million of cash collateral will be provided by 510 Ocean Drive. The Term Sheet further includes a provision for Huntington Bank to recapture 25% of the Debtors' excess cash flow to pay down the real estate loans.

The Term Sheet also incorporates the following fees:

1) Letter of Credit Fees equivalent to the revolving credit interest rate for LIBOR Rate loans plus Huntington Bank's issuance fees;

2) Upfront Fees equal to 1% of the aggregate proposed credit facility, which will be due and payable at closing, unless Huntington Bank issues a commitment letter prior to closing, in which case, 50% of the Upfront Fees will be due upon the issuance of the commitment letter with the remainder due at closing;

3) Unused Facility Fee accruing on the revolving credit facility at .375% per annum on the daily average unused portion of the revolving credit facility, payable monthly in arrears and on the maturity date;

4) Collateral Management and Collateral Evaluation Fee equal to $9,750 per calendar month; and

5) Prepayment Fee of 3% of the aggregate commitment if prepaid within one year from the closing date; 1.5% of the aggregate commitment if prepaid in year two and .75% in year three and 0% thereafter; there is no Prepayment Fee if the Debtors refinance during this period with Huntington Bank.

E. New Value Equity Investment Cash

The Debtor shall receive a corresponding share of the New Value Equity Investment Cash to facilitate meeting its payment obligations under the Plan on the Effective Date.

510 Ocean Drive has executed an Acknowledgment and Agreement to provide the New Value Equity Investment Cash. The Acknowledgment and Agreement provides an acknowledgment by 510 Ocean Drive of its intent and ability to materially support the Plan, including the Bankruptcy Rule 3020(a) Plan provision for a Special Deposit Account prior to confirmation. It further provides that 510 Ocean Drive consents to provide the New Value Equity Investment Cash in an amount no less than $7 million, subject to Huntington Bank's issued commitment to loan the Debtor $30 million, and an absence of material adverse change in the finances and business of the Debtor in the 30 days preceding the funding date.

510 Ocean Drive is an entity in which Leonard Levie ("Levie") and Brian Cassady used to purchase a debt obligation from the PBGC from the Debtors' first bankruptcy in 2003. The PBGC had a lien against all of the property, plant, and equipment of Intercast. The debt note had a face value that was in excess of the property, plant, and equipment at Intercast. When the debt note that was purchased by 510 Ocean Drive became due, Fansteel was unable to pay it. As forbearance for the owners of the note not foreclosing the debt on Intercast, 510 Ocean Drive asked for improved security and at that time, a lien was placed against the property in Creston, Iowa recorded on April 7, 2014. On September 8, 2015, 510 Ocean Drive subordinated its security interest in all assets of all three Debtors to Fifth Third Bank including a collateral assignment of 510 Ocean Drive's mortgage interest on the Creston property recorded on September 21, 2015. Shortly after 510 Ocean Drive perfected its lien on the Creston property, William Bieber domesticated his lien interest on the Creston property. WDC granted to Fifth Third Bank a mortgage on the Creston property on September 8, 2015, that was recorded on September 21, 2015, the same day as the recording of the subordination agreement and the collateral assignment of mortgage executed by 510 Ocean Drive in favor of Fifth Third Bank. On September 1, 2016, Fifth Third Bank assigned all of its security interests in and liens on the assets of the Debtors, including the Creston property, to TCTM.

The Debtors maintain that 510 Ocean Drive is a secured creditor of the Debtors, holding a secured claim in the amount of $6,153,485.23 as of September 13, 2016, with interest accruing at the rate of 8% per annum; and that the debt obligation owed by the Debtors to 510 Ocean Drive

is secured by personal property of all three Debtors and a mortgage on certain real estate owned by WDC in Creston, Iowa, subject to the subordination in favor of Fifth Third Bank, now TCTM, described in the paragraph above. The Committee disputes these assertions by the Debtors.

The Plan provides for $4,000,000 of 510 Ocean Drive's secured claim to be cancelled and converted into equity in Reorganized Debtor WDC. WDC will hold the equity in Reorganized Debtor Fansteel. The remaining portion of 510 Ocean Drive's secured claim, in the approximate amount of $2,139,713.83, will continue accruing interest at 8% and will be subordinated to the New Senior Secured Credit Facility, Bieber, and the interests of the Collateral Trust and no payments will be made until all of the other Classes are satisfied. Further, Levie's equity interest in Fansteel will be cancelled as of the Effective Date without any payment. The equity of Fansteel is currently owned by Levie, personally and through various trusts by Levie, holding a super-majority. The remaining equity of Fansteel is currently owned by Brian Cassady and unidentified shareholders totaling less than 8% of the total shares outstanding. Attached as Exhibit "C" is a list detailing the current shareholders of Fansteel.

In partial consideration of 510 Ocean Drive's agreement to provide no less than $7,000,000 in New Value Equity Investment Cash to the Reorganized Debtors and agreement to cancellation and subordination of its secured claim and cancellation of its existing equity interests, the Plan provides for a transfer to 510 Ocean Drive of all of the Debtors' rights and interests in certain causes of action against TerraMar Capital and its officers, directors and affiliates related to or in connection with the Non-Disclosure Agreement executed by Fansteel and TerraMar Capital pre-petition, as described in Section "O" below. This assignment of the causes of action against TerraMar to 510 Ocean Drive is beneficial to 510 Ocean Drive as it believes that its members have been harmed by TerraMar. TCTM's position is that neither the Debtors, nor their successors and assigns, are entitled to bring any such causes of action against TerraMar Capital and its officers, directors and affiliates, including TCTM, by virtue of the proposed Order After Hearing Approving Debtor's First Amended Motion for Order Authorizing Final Use of Cash Collateral and Providing Post-Petition Liens (Docket Item No. 238) and the Court's Order dated November 4, 2016 (Docket Item No. 251). The Debtor disagrees with TCTM's position and has filed a Motion for Clarification as to Paragraph 19 of the Cash Collateral Order or in the Alternative Reformation of Paragraph 19 in the Fansteel Bankruptcy Case (Docket No. 609).

Prior to the Confirmation Date, 510 Ocean Drive shall deposit the New Value Equity Investment Cash into a Special Deposit Account pursuant to the Bankruptcy Rule 3020(a) Plan provision to enable all three Reorganized Debtors to make those Distributions required under each respective Plan.

After the organizational restructuring, 510 Ocean Drive will be the majority shareholder of Reorganized Debtor WDC and Levie will be the majority member of 510 Ocean Drive.

Attached as Exhibit "D" is a copy of the 510 Ocean Drive Acknowledgment and Agreement.

F. Satisfaction of Class 2 TCTM Allowed Secured Claim

The TCTM Allowed Secured Claim shall be paid in full on the Effective Date, pursuant to the treatment provided for Class 2 under the Plan. Upon satisfaction of the TCTM Allowed Secured Claim pursuant to the treatment accorded such Class 2 Claim, all of TCTM's liens, claims and encumbrances shall be released and satisfied.

G. Reorganization of the Debtor's Business Operations

The Debtor has made and is making changes to its business operations that have resulted and will result in substantially more efficient business operations and lower overhead costs. Such changes have caused and will cause reductions in operating expenses, and the Debtor believes that such changes will increase cash flow in the long term. The business projections accompanying the Disclosure Statement and/or this Plan are based on the Debtor's reorganized business operations and further detail the Reorganized Debtor's means for implementation of the Plan.

As discussed in Section "B" above, Fansteel will become a subsidiary of WDC upon the conversion of its inter-company debt owed to WDC into equity. A reasoned analysis of the cause of the company's bankruptcy in 2003 and the current bankruptcy case is that the company performance was not sufficient to meet the financial and funding obligations of FMRI. With Fansteel as the parent company, it previously relied upon its subsidiaries, including WDC, if it had insufficient funds to meet its costs of operation or to meet its obligations to FMRI, which is why there is inter-company debt owed by Fansteel to WDC.

To prevent this risk of Fansteel obtaining money from its subsidiaries to meet its obligations, the Debtors are reorganizing the business organizational structure with a debt to equity conversion of inter-company debt owed by Fansteel to WDC and moving WDC to the top of the organizational structure, with WDC as the consolidating parent entity. FMRI will remain a wholly-owned subsidiary of Fansteel and FMRI funding will be provided from a subset of Fansteel EBITDA and not from WDC. With this structure, future WDC earnings will not leave WDC for the benefit of subsidiary entities relative to FMRI and the continuing environmental cleanup costs to Fansteel.

As such, this distances FMRI from where the money is being generated through WDC and limits FMRI to payment from Fansteel's EBITDA. Therefore, there is no risk to WDC and rather a reduction of risk instead. The whole reorganization concept is being done to eliminate the risk that earnings are drawn from WDC for environmental obligations of Fansteel or otherwise at a rate that would risk another bankruptcy. The Debtors maintain that the benefit of reorganizing the business organizational structure to have WDC on top as the consolidating parent entity is that earnings can stay with WDC, which will benefit from badly needed capital investment that will improve product quality and company profitability.

The potential tax implications of this reorganized business organizational structure are explained in the Tax Analysis below.

The Plans provide for the reorganization of WDMA as part of the reorganization of the Debtors' business operations, even though WDMA has in the past had a negative cash flow. WDMA has under-performed from a lack of attention from the parent company. WDMA holds a substantial portion of TCTM collateral and the Debtors do not intend to sell WDMA until after performance has been improved, a track record of profitability has been established, and the Debtors locate a strategic buyer. Once performance has improved and a track record for profitability has been established, the Debtor believes it is reasonable to assume that a strategic buyer will pay at least the book value of the business, which is approximately $1.5 million in accounts receivable, $4.5 million in inventory, and $1 million in machinery at an orderly liquidation value. It is not feasible to sell WDMA presently as there is too much debt owed to TCTM. The Debtor believes that WDMA has the potential to be high-performing. The Debtor believes it does not need more capital investment, it merely needs management attention. Therefore, the Debtor intends to use the collateral in WDMA as collateral for the New Senior Secured Credit Facility loan to pay off the amount owed to TCTM.

Attached as Exhibit "E" is an organizational chart explaining the reorganized business structure.

H. Collateral Trust

Prior to the Effective Date, the Class 10 Promissory Note and the Collateral Trust Agreement shall be (a) executed and delivered to the Collateral Trust, and (b) recorded or filed as deemed necessary to perfect liens. The Collateral Trustee shall have the powers set forth in the Collateral Trust Agreement and shall hold and administer the Class 10 Promissory Note and the Collateral Trust Security Interest for the benefit of Holders of the Class 10 Claims. The Collateral Trust, through the actions of the Collateral Trustee, shall have the power to (i) execute all appropriate documents and to take legal action on behalf of the Holders of the Class 10 Claims, including actions to enforce the Reorganized Debtor's obligations under the Class 10 Promissory Note, (ii) to distribute proceeds from any liquidation of collateral on a Pro Rata basis to the Holders of the Class 10 Claims based upon the unpaid Allowed Amount of each such Holder's Claim, and (iii) exercise default remedies in accordance with the Plan and any document related to the Plan, including without limitation the Class 10 Promissory Note. The Collateral Trustee shall take actions in accordance with the Collateral Trust Agreement, and the Collateral Trust, through the actions of the Collateral Trustee, shall have the power to execute all appropriate documents and to take legal action on behalf of the Collateral Trust, including actions to enforce the Reorganized Debtor's obligations under the Class 10 Promissory Note and to distribute proceeds from any liquidation of collateral on a Pro Rata basis to Holders of Allowed Class 10 Claims based upon the unpaid Allowed Amount of each such Holders' Claims.

The Reorganized Debtor shall pay reasonable administrative costs incurred by the Collateral Trustee in taking action(s) on behalf of the Holders of the Class 10 Claims, and shall provide the Collateral Trustee with initial capital of $5,000.00 (the "Capital Reserve"). The Capital Reserve may be increased in a reasonable amount upon request by the Collateral Trustee made to the Reorganized Debtor. In the event of a dispute regarding payment of administrative costs incurred by the Collateral Trust or regarding the amount of the Capital Reserve, the dispute shall be resolved by the Bankruptcy Court after notice and a hearing.

A copy of the proposed Collateral Trust Agreement is attached hereto as Exhibit "F".

I. Compliance with Projections

The Reorganized Debtor shall operate its business in material compliance with: (i) the cash expenditures set forth in the projections attached to the Debtor's Court-approved Disclosure Statement; and/or (ii) updates to such projections, which updates shall be implemented as described below. The Reorganized Debtor shall be deemed to be in material compliance with the projections or the updates thereto so long as it neither makes nor suffers a change in its business as presented in the projections (or in the updates thereto) so as to materially increase the risk to Class 10 Creditors hereunder.

J. Use of Excess Cash

Subject to the foregoing provisions of this Article, and except as otherwise provided by this Plan, any excess Cash in the possession of the Reorganized Debtor will be held in accordance with the Plan and may be used by the Reorganized Debtor in the ordinary course of its business or, in the Reorganized Debtor's discretion, may be used to pre-pay future installments to Holders of Allowed Class 10 Claims.

K. Prepayments

Any prepayment(s) made under this Plan to any Creditor(s) shall satisfy the obligation(s) to make such payment(s) on the date(s) such payment(s) would otherwise be due, shall constitute full performance hereunder to the extent of any such prepayment(s), and may be made without penalty unless otherwise stated herein.

L. Sale, Refinance or Other Disposition of Property

Subject to the Plan's provisions, the Reorganized Debtor shall be authorized to refinance its assets to pay and/or otherwise satisfy in full any and all Allowed Secured or Unsecured Claims, and to enable it to make Plan payments or to enable it to obtain sufficient capital to operate its business. Such authorization extends to, among other property of the Reorganized Debtor, property securing the Reorganized Debtor's obligations to Holders of Claims in Class 10 (subject to the limitations set forth in this Plan and in the Collateral Trust Agreement and the Class 10 Promissory Note). The Plan generally provides that if the Reorganized Debtor sells or refinances assets that secure its obligations to claimants in Classes 10 outside the ordinary course of business, without the express written consent of the Collateral Trustee, then the net proceeds from such sale or refinance will be distributed to such Claim Holders in accordance with the priority of their respective liens, and such liens thereupon shall be released, subject to those subordination provisions incorporated in the Collateral Trust Agreement. Notwithstanding the above, the Reorganized Debtor shall be authorized to borrow money and incur debt in the future with a future senior secured lender, which may provide for the subordination of the Collateral Trust Security Interests in an amount not to exceed $40,000,000.00 to the security interests of the future senior secured lender, to enable it to obtain sufficient capital to operate its business, without distributing the proceeds from such refinance to Holders of Claims in Class 10.

M. Assignment of Causes of Action

In partial consideration for the New Value Equity Investment Cash, to the extent the Debtor has any actual, potential, contingent, unliquidated and/or disputed claims, Causes of Action and/or Choses in Action, against any party that may be liable to the Debtor, or its parent, or any of its affiliates, related to or in connection with that certain Non-Disclosure Agreement executed by and between the Debtor, its parent, and/or any of its affiliates, with TerraMar Capital or its officers, directors, agents, employees, legal or financial advisors, accountants, financing sources or other professionals, said claims, Causes of Action and/or Choses in Action shall be transferred and assigned to 510 Ocean Drive, as of the Effective Date.

TCTM's position is that neither the Debtors, nor their successors and assigns, are entitled to bring any such causes of action against TerraMar Capital and its officers, directors, agents, employees, legal or financial advisors, accountants, financing sources or other professionals and affiliates, including TCTM, by virtue of the proposed Order After Hearing Approving Debtor's First Amended Motion for Order Authorizing Final Use of Cash Collateral and Providing Post-Petition Liens (Docket Item No. 238) and the Court's Order dated November 4, 2016 (Docket Item No. 251). The Debtor disagrees with TCTM's position and has filed a Motion for Clarification as to Paragraph 19 of the Cash Collateral Order or in the Alternative Reformation of Paragraph 19 in the Fansteel Bankruptcy Case (Docket No. 609).

N. Avoidance Actions

Since the Plan will be providing for a 100% dividend on all allowed unsecured claims from the New Senior Secured Credit Facility, the New Value Equity Investment Cash and future earnings and profits, the Debtor does not believe it will be necessary to pursue Avoidance Actions. The Committee believes there are claims for avoidance of the 510 Ocean Drive liens and reserves its right to bring such claims and other actions under Chapter 5 of the Code and which are otherwise available.

O. Conditions Precedent to Confirmation

Among other conditions set forth in the Plan, the Collateral Trust Agreement, the Class 10 Promissory Note, and the Subordination Agreement are all completed and approved as to form and content by the Debtor, the Official Committee and the Collateral Trustee at least seven (7) days before the Confirmation Hearing.

P. Conditions Precedent to Consummation of the Plan

1. Deposit of New Value Equity Investment Cash: In lieu of application of Bankruptcy Rule 3020(a), on or before the Effective Date, 510 Ocean Drive shall deposit the New Value Equity Investment Cash with the Reorganized Debtor WDC to enable all three Reorganized Debtors to make those Distributions required under each respective Plan. The Cash deposited shall be kept in a special account established for the exclusive purpose of making those Distributions required under all three respective Plans.

2. Execution of Ancillary Plan Documents by All Signatories: To the extent any of the three Debtors, Reorganized Debtors, the Collateral Trustee, or the New Senior Secured Credit Facility are parties to a document that is a condition precedent to confirmation of any of the three Plans, including without limitation the Collateral Trust Agreement, the Class 10 Promissory Note, and the Subordination Agreement, they shall all be prepared to execute and exchange the same at or upon the closing on the Effective Date.

Q. Effective Date of the Plan

The Effective Date of the Plan shall be the earlier of (a) the date on which all conditions precedent to consummation of the Plan have been satisfied, as provided for in Section V.P above, or (b) within ten (10) days of the Confirmation Order becoming a Final Order.

VI. BACKGROUND ON DEBTOR AND EVENTS LEADING TO FILING OF THE BANKRUPTCY CASE

The Debtor maintains as follows:

Fansteel, the parent of WDC and WDMA, is headquartered in Creston Iowa, and between the three companies, employs over 600 people globally. The primary business of Fansteel and its several divisions and wholly-owned subsidiaries, is as a manufacturer of precision-engineered products for the global aerospace, defense, and industrial markets. On a consolidated basis, Fansteel generated approximately $87.4M in annual revenue in FY2015. Fansteel serves its customers through four business units at four locations in the USA and one in Mexico.

Fansteel's profitability is driven by demand for helicopter production and replacement parts. The 2013 US military drawdown in Afghanistan followed by the precipitous drop in oil prices in 2015 caused two sharp declines in demand for helicopter parts. In early 2015, Fansteel's commercial lender, Fifth Third Bank, placed its Fansteel loan agreement in "workout," indicating it did not want to renew the loan following its expiration in June 2016. The previous management team first sought to sell Fansteel and secured a tentative sale agreement for the WDC division to a direct competitor. In 4Q 2015, oil fell to $35 per barrel and the prospective buyer abandoned its purchase offer. At that point, the previous Fansteel management sought a comprehensive refinancing from a consortium of banks. Given comparatively poor financial performance, Fansteel entered into a letter agreement with TerraMar Capital LLC ("TerraMar"), based in Los Angeles, California, pursuant to which TerraMar agreed to assist Fansteel with due diligence for debt financing and Fansteel, in return, agreed to pay TerraMar certain fees and expenses associated with the due diligence work performed by TerraMar. TerraMar signed a Non-Disclosure Agreement and, pursuant to the terms of the letter agreement, performed the due diligence work for Fansteel and invoiced approximately $400,000 of due diligence fees to Fansteel in preparation to offer a loan. In May 2016, the Fansteel Board of Directors rejected the terms of the loan and replaced the Fansteel CEO and COO with a seasoned team of turnaround professionals. The team went to work assessing the business and quickly developed a business plan that projected rapid improvement over six months from a June – July break even (excluding non-reoccurring losses) to a projected $8M cash flow for 2017. On top of the profit improvement created through shared sacrifice by clients, unions, management and the shareholders, the plan proposed to substantially improve liquidity by selling AST in October for

$4 million against a collateralized borrowing of $1.5 million. On August 15, 2016, this plan was presented to Fifth Third Bank, who expressed appreciation for the plan, recognizing that the same management team had recently performed similarly for another Fifth Third loan. After the meeting, it was indicated by Fifth Third Bank that a long term forbearance would be considered with the intention of providing the new Fansteel management team sufficient time to implement their turnaround plan and, once proven, to use the demonstrated higher profitability to secure a new loan agreement from another bank or even perhaps Fifth Third Bank under conventional Asset Based Loan terms and rates.

Fansteel has used Fifth Third Bank to provide asset-based lending since 2005. The most recent agreement was secured against collateral of accounts receivable, and inventory subject to defined borrowing base formula constraints. The existing loan agreement has been modified occasionally. In fact, Fifth Third Bank and Fansteel were negotiating in good faith to settle a 29th amendment to the 2005 loan agreement, providing a 16-month forbearance period designed to provide the new Fansteel management team time to fully implement their defined turnaround plan and to use the improved performance as a basis to seek a new lender.

From August 16, 2016 until September 1, 2016, the Fansteel management team awaited a new term sheet from Fifth Third Bank outlining mutual commitments as a condition to extend the existing loan until the end of 2017. On September 1, 2016, Fifth Third Bank and TCTM Financial FS, LLC notified Fansteel, WDC, WDMA and 510 Ocean Drive that Fifth Third Bank had assigned all of its rights under the loan agreements to TCTM. Fifth Third Bank and TCTM also advised Debtors that a replacement Deposit Account Control Agreement, as required under the existing loan agreements, must be signed with Fifth Third Bank, as the depository bank, and TCTM, as the secured party, in order to facilitate any credit extensions to the Debtors. Concurrently, the independent Chief Restructuring Officer (CRO) hired by Fansteel at the request of Fifth Third Bank also emailed Fansteel requesting that it recognize the new owner of the loan and sign the Deposit Account Control Agreement. Subsequently, Fansteel's CEO received a phone call from a representative of TCTM. During the call, a proposal to provide financing to the business on an interim basis was outlined. A few days later, TCTM submitted a proposed 29th amendment to the loan agreement, in a form very similar to the prior amendments entered into between Fifth Third Bank and Fansteel. Given each of the notes under the existing loan agreement was scheduled to mature in accordance with their terms on September 9, 2016, it was necessary to amend and extend them promptly. Under the proposed amendment, the Debtors would be able to hire both legal counsel and a new CRO in preparation to enter a reorganization proceeding and TCTM would consider debtor-in-possession financing and possibly serve as a stalking horse bidder in a sale pursuant to Bankruptcy Code Section 363.

The Debtors did not sign the replacement Deposit Account Control Agreement, as required under the existing loan agreement, nor did they sign the 29th amendment to the loan agreement. Each of the notes matured on September 9, 2016 and was in default. The Board of Directors of Fansteel had serious objections to the proposal outlined by TCTM. Given their confidence in the new management's already defined, initiated, and largely implemented turnaround plan, the Board did not agree with TCTM's loan documents. The Board of Directors directed and authorized the CEO to retain the well-respected expertise of Ronald Reuter as Chief Restructuring Officer to complement and accelerate Fansteel's performance improvement plan.

With this preparation in place, Fansteel, WDC and WDMA filed bankruptcy cases for relief under Chapter 11 on September 13, 2016, with the hope they could propose an "earn-out" plan of reorganization that will pay a 100% dividend to all unsecured creditors and give the equity security holders an opportunity to retain their investments.

VII. DEBTOR'S PRIOR ATTEMPTS TO OBTAIN FINANCING

The Debtor maintains as follows:

In May 2016, Leonard Levie purchased the minority shares held by Kurt Zamec in order to achieve supermajority control of Fansteel. At that juncture Mr. Levie was able to assume the role of activist investor; he appointed a new CEO and commissioned a cross functional team to rapidly assess every aspect of the business in order to define a restructuring plan outside of bankruptcy. One important precondition of these actions was the expiration of Fansteel's general line of credit issued by Fifth Third Bank. The line was initiated in 2005 and expired in June 2016. Fansteel had been unsuccessful in renewing its line of credit with Fifth Third Bank or in establishing a replacement line of credit with any other conventional bank. Among the many reasons for this difficulty was a trend of diminishing EBITDA generation within Fansteel and the accumulation of total debt. Over the course of 2015- 2016, Fansteel had employed professional banking advisors (Concorde Financial Advisors LLC) to solicit loans from prospective new banks. Over 50 prospective lenders were solicited and in the end, few deemed the risk acceptable and none of the tentative offers proposed were viewed as commercially reasonable by the board of Fansteel.

VIII. ASSETS, LIABILITIES & FINANCIAL STATUS OF THE DEBTOR

When the Bankruptcy Case was filed, the Debtor filed extensive and comprehensive schedules of its assets and debts, some of which were amended post-petition, along with detailed statements of the Debtor's financial affairs. The Debtor's petition, schedules and statements, and the amendments thereto, are public records and available for examination through the Court's CM/ECF and PACER systems. True and exact copies will also be provided at no cost by fax, email or hard copy by contacting the Debtor's General Reorganization Counsel and requesting same.

After the Petition Date, the Debtor also prepared and filed initial financial statements and records for various pre-petition periods, and has also filed detailed and comprehensive monthly reports of operations. The monthly reports of operations included balance sheets, profit and loss statements, cash receipts and disbursements, check registers and bank statements. These too are public records and available for examination through the Court's CM/ECF and PACER systems. True and exact copies will also be provided at no cost by fax, email or hard copy by contacting the Debtor's General Reorganization Counsel and requesting same.

YOU ARE ADVISED TO CONSULT WITH YOUR ACCOUNTANT OR FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THE FINANCIAL STATEMENTS OR MONTHLY REPORTS OF OPERATION.

IX. LABOR/UNION

The Debtor is in a contract with the GMP that is open for re-negotiation with new terms in effect April 1, 2017. The Debtor is in constructive dialogue with the union and it is management's intention to secure an agreement where labor shares 20% of actual healthcare expense versus current 10% and where future pay increases are funded by formula driven gain sharing rather than a fixed hourly wage increase. Although the outcome of upcoming negotiations are uncertain, management believes the workforce will work constructively to reset an agreement to more closely align worker interest with the long term economic health of the business.

X. LIQUIDATION ANALYSIS

Another confirmation requirement is the "Best Interest Test," which requires a liquidation analysis. Under the Best Interest Test, if a Creditor holds an Allowed Claim in an Impaired Class, and that Creditor does not vote to accept the Plan, then that Creditor must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 Trustee. Secured Creditors are paid first from the sales proceeds of property and assets in which the Secured Creditor has a lien. Administrative Expense Claims are paid next. Unsecured Creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured Creditors with the same priority share in proportion to the amount of their Allowed Unsecured Claims. Finally, Interest Holders receive the balance that remains after all Creditors are paid, if any.

For the Court to be able to confirm this Plan, the Court must find that all Creditors who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a hypothetical Chapter 7 liquidation. The arguments the Debtor would make that the Debtor's Plan meets the best interest test, is premised primarily on one fact: Creditors will be paid in full over time, whereas in a hypothetical Chapter 7 case, unsecured creditors would receive little to no Distribution. Based on this fact, the Plan Proponents maintain that this requirement is met for the following reasons.

On the Effective Date, there will be sufficient Cash on hand from the new Senior Secured Credit Facility and the New Value Equity Investment Cash to pay those Claims that must be paid on the Effective Date. The Debtor maintains that the projections of future income and expenses show that the Reorganized Debtor will have sufficient income from operations to pay those additional Claims provided for under the Plan.

Based on the above, the Debtor believes the proposed Plan is more likely to result in more money for Unsecured Creditors, and faster, compared to a similar Chapter 7 liquidation at this time. Attached hereto as Exhibit "G" and incorporated by reference herein, is the Debtor's liquidation analysis.

XI. FEASIBILITY

Another requirement for confirmation involves the feasibility of the Plan. This means that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successors to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Debtor will have enough Cash on Hand on or about the Effective Date of the Plan to pay all the Allowed Claims which are entitled to be paid on such date. The Plan Proponents maintain that this aspect of feasibility will be satisfied. Based on the actual amount of Cash on hand, the Debtor believes there will be enough to pay all Allowed Unclassified and Classified Claims which are entitled to be paid on the Effective Date.

The second aspect of feasibility considers whether the Proponent will have enough Cash over the life of the Plan to make the required Plan payments. Attached hereto as Exhibit "H" and incorporated by reference herein are the Debtor's projections of future income and expenses in support of the feasibility of the Debtor's Plan.

XII. MANAGEMENT AND COMPENSATION AND POST-CONFIRMATION GOVERNANCE

After the Effective Date, management of the Reorganized Debtor will be conducted by substantially the same officers and managers as before the Effective Date, which is substantially the same as it was on the Petition Date, with substantially the same compensation arrangements as before the Effective Date.

Below are the current directors and officers of the Debtor WDC:

Name	Position	Authorized Shares	Issued	Par	Directors	Current Salary
Jim Mahoney	CEO				Brian Cassady	
Robert Compernolle	Secretary				Leonard M. Levie	

The directors of Reorganized Debtor WDC will be Leonard Levie and Brian Cassady. It is anticipated that Leonard Levie will control at least 90% of the Reorganized Debtor WDC on the Effective Date and Brian Cassady will control less than 10% on the Effective Date. The officers will be as follows: Jim Mahoney as CEO; Robert Compernolle as Controller; and Danette Grim as President.

The directors and officers of Reorganized Fansteel will be Jim Mahoney and Robert Compernolle.

XIII. UNITED STATES TRUSTEE SYSTEM FUND FEES

A fee is required by the provisions of Title 28 United States Code § 1930(a)(6), to be paid quarterly to the United States Trustee by any Debtor in a Chapter 11 Case. The amount of the fee is based on a Debtor's disbursements for the preceding quarter. A Debtor's obligation to pay the fee continues after confirmation and until the Chapter 11 Case is fully administered and closed.

On the Effective Date of the Plan, the Debtor shall be current with all quarterly fees due as of that date. Any delinquent fees will be paid in full within ten (10) days of the Effective Date of the Plan. Quarterly fees will be paid every calendar quarter thereafter, as a first priority under the Plan until the case is closed.

XIV. TAX ANALYSIS

The Debtor will not seek a ruling from the Internal Revenue Service prior to the Effective Date with respect to any of the tax aspects of the Plan.

ANY PERSON CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN IS STRONGLY URGED TO CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS TO DETERMINE HOW THE PLAN MAY AFFECT THEIR FEDERAL, STATE, LOCAL AND FOREIGN TAX LIABILITY. The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers about possible tax issues the Plan may present to the Debtor. The Plan Proponents CAN NOT and DO NOT represent that the tax consequences contained below are the only tax consequences of the Plan, because the tax code embodies many complicated rules which make it difficult to completely and accurately state all of the tax implications of any action or transaction.

A. Tax Impact on the Debtor

The Debtor's parent, Fansteel, has incurred Net Operating Losses ("NOL") of $8,660,681. Fansteel anticipates that the NOL will increase as a result of calendar year 2016 losses. The Debtor believes that the reorganization concept will preserve the NOL because the ultimate beneficial owner of the consolidated company will not change. This view has been confirmed by independent advisors and is currently the subject of a detailed study by the Debtor's duly-employed tax advisor. The Debtor's feasibility projections take into account an NOL benefit, however, dispute of the NOL is not expected to prevent the Debtor from meeting fixed charge debt obligations to the New Senior Secured Credit Facility nor to creditors.

B. Tax Impact on Creditors

The Debtor is unaware of any adverse tax consequences of the Plan to Creditors. It is not necessary or practical to present a detailed explanation of the federal income tax aspects of the Plan or the related bankruptcy tax matters involved in Bankruptcy Cases. The tax consequences resulting from the Plan to each individual Creditor should not vary significantly from the past tax consequences realized by each individual Creditor. To the extent that the tax consequences do vary for individual Creditors, each one is urged to seek advice from their own counsel or tax advisor with respect to the federal income tax consequences resulting from Confirmation of the Plan.

The Debtor will withhold all amounts required by law to be withheld from payments to holders of Allowed Claims. In addition, such holders may be required to provide certain tax information to the Debtor as a condition of receiving Distributions under the Plan. The Debtor will comply with all applicable reporting requirements of the Internal Revenue Code of 1986, as amended.

XV. RISKS TO CREDITORS UNDER THE PLAN

Creditors will be paid under the Plan from the Cash on hand, and revenue generated from future operations.

There are risks to creditors not being paid. One risk is that the Reorganized Debtor's future operations and corresponding income and expenses will not substantially match the Debtor's projections of future income and expenses, due to, among other risks, market conditions outside of the Debtor's control. The Debtor is confident that the risk above is manageable and that the Debtor and Reorganized Debtor will be able to consummate the Plan and pay Creditors in full.

Other risks include there being sufficient commercial bank lending and the second being enough fresh investment capital to supplement a new bank loan. With respect to a new commercial bank, the Debtor has received a detailed term sheet from Huntington Bank that outlines sufficient lending to effectuate the plan. However, the term sheet is not a binding commitment to lend and there is a potential risk that the Debtor will not receive a binding commitment. The Debtors do, however, anticipate a fully-executed commitment letter from Huntington Bank will be provided prior to the Confirmation Date. If the Debtors do not receive such commitment by the Confirmation Date or cannot fulfill the terms of the commitment received, this could render the Debtors' Plans un-confirmable or constitute a material impediment to the Debtors confirming their Plans. In addition, there is a potential risk to creditors that the amount stated on the Huntington Bank Term Sheet will not be the actual amount loaned to the Debtors. Insufficient financing could materially impact the feasibility of the Plan. Among other things, the Huntington Bank term sheet requires an additional infusion of $5 million of cash collateral. This cash collateral provides the necessary liquidity and security for Huntington Bank to lend at an amount required under the Plan. The Debtor anticipates that 510 Ocean Drive will provide the $5 million cash collateral infusion. Further, the term sheet's provision regarding recapture of 25% of the Debtors' excess cash flow could impact the Debtors' ability to make quarterly payments to unsecured creditors under the Plan.

The second major risk is investment capital. 510 Ocean Drive has agreed to invest no less than $7 million of New Value Equity Investment Cash, as stated in its Objection to Joint Motion for Order Approving Stipulation Relating to "Challenge Rights" at Docket Item 466 in the Fansteel Bankruptcy Case and in the Acknowledgment and Agreement attached hereto as Exhibit D. There is a potential risk to creditors that 510 Ocean Drive may not provide the necessary amount above the $7,000,000 to allow the Debtors to fully fund their Plans. However, if 510 Ocean Drive determines more capital is required or that it prefers to invest less, it has a number of junior investors available to participate as additional members in 510 Ocean Drive.

Additional risks associated with feasibility of the Plan relate to whether the Debtor is able to reach consensual treatment of debts for the following major creditors/interested parties: (1) NRC and the state of Oklahoma; (2) William Bieber; (3) Unsecured Creditors; (4) PBGC; and (5) each of the three active union pension funds. Each of these obligations are being addressed by a good faith active engagement focused on providing the best available treatment that would be feasible in context of management's Plan.

XVI. DEFAULT PROVISIONS

The following shall be events of default under the Plan:

a) The failure to make a Distribution on account of an Allowed Claim under the Plan; provided, however, that no default shall be deemed to have occurred if such missed payment is made within thirty (30) days of the date of the missed payment.

b) Provided no agreement exists to extend or modify the terms of any agreement between the Reorganized Debtor and third party vendors or creditors, failure of the Reorganized Debtor to pay any post-confirmation expenses, including but not limited to, taxes, fees, expenses to whom the Reorganized Debtor becomes obligated after the Effective Date.

c) The Reorganized Debtor's failure to perform any provision of the Plan resulting in nonmonetary defaults under the Plan; provided, however, that no nonmonetary default shall be deemed to have occurred if such default is cured within forty-five (45) days after written notice of such nonmonetary default has been provided the Reorganized Debtor and its General Reorganization Counsel. All such notices hereunder shall be made both by facsimile and U.S. Mail, first class postage prepaid. Notice shall be deemed complete when transmission of the facsimile is completed.

As of the Confirmation Date, any defaults by the Debtor under any non-bankruptcy law or agreement, shall be deemed cured, and notice of default or sale recorded by any Creditor prior to the Confirmation Date shall be deemed null, void and have no further force or effect.

XVII. EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge and Release of Claims

The Debtor maintains as follows:

Upon the Effective Date of the Plan, the Debtor shall receive the broadest discharge possible under Bankruptcy Code Section 1141(d)(1), limited as applicable by the provisions of Bankruptcy Code Section 1141(d)(6). More particularly, and subject to the preceding sentence, Confirmation of the Plan shall discharge the Debtor from any Claim or debt that arose before the Confirmation Date and any debt of a kind specified in Bankruptcy Code Sections 502(g), (h) or (i), whether or not (i) a Proof of Claim based on such debt is filed or deemed filed under Bankruptcy Code Section 501, (ii) such Claim is allowed under Bankruptcy Code Section 502, or (iii) the holder of such Claim has accepted the Plan.

Pursuant to Bankruptcy Code Section 524, the discharge (i) voids any judgment at any time obtained to the extent that such judgment is a determination of the personal or corporate liability of the Debtor with respect to any debt discharged under Bankruptcy Code Section 1141, whether or not discharge of such debt is waived, and (ii) operates as an injunction against the commencement or continuation of an action, employment of process, or an act to collect, recover or offset any such debt as a personal liability of the Debtor, whether or not discharge of such debt is waived.

Notwithstanding the foregoing, confirmation of the Plan will not discharge the Reorganized Debtor (a) from any debt of a kind specified in Bankruptcy Code Sections 523(a)(2)(A) or (2)(B) that is owed to a domestic governmental unit; (b) from a debt for a tax or customs duty with respect to which the Reorganized Debtor made a fraudulent return, or (c) willfully attempted in any manner to evade or to defeat such tax or such customs duty; or (d) from its obligations under the Plan, Confirmation Order or documents executed or entered into in relation to the Plan or Confirmation Order.

B. Injunction

The Debtor maintains as follows:

Except as otherwise expressly provided for in the Plan or the Confirmation Order, all persons who have held, hold, or may hold Claims against the Debtor, are permanently enjoined (a) from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim against the Debtor and the Reorganized Debtor; (b) from the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtor and the Reorganized Debtor, and its property; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Debtor and the Reorganized Debtor, or its property with respect to such Claim, and (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtor, or its property with respect to any such Claim; provided, however, that such injunction shall not enjoin the Collateral Trustee (or the beneficiaries of the Collateral Trust) from exercising their respective rights and remedies under the Plan, Collateral Trust Agreement, as applicable.

C. Exoneration and Reliance

The Debtor maintains as follows:

Provided that the respective affiliates, officers, directors, shareholders, members, partners, representatives, attorneys, financial advisors, and agents of the Debtor, and the Official Committee act in good faith, they shall not be liable to any claimant, Interest Holder, or other party with respect to any action, forbearance from action, decision, or exercise of discretion taken during the period from the Petition Date to the Effective Date in connection with: (a) the operation of the Debtor; (b) the proposal or implementation of any of the transactions provided for, or contemplated in this Plan; or (c) the administration of this Plan or the assets and property to be distributed pursuant to this Plan, other than for willful misconduct or gross negligence. The Debtor, and the Official Committee and their respective affiliates, officers, directors, shareholders, members, partners, representatives, attorneys, financial advisors, and agents may

rely upon the opinions of counsel, certified public accountants and other experts or professionals employed by the Debtor, and such reliance shall conclusively establish good faith. In any action, suit or proceeding by any Creditor or other party in interest contesting any action by, or non-action of, the Debtor, or its respective affiliates, officers, directors, shareholders, members, partners, representatives, attorneys, financial advisors, and agents as not being in good faith, the reasonable attorneys' fees and costs of the prevailing party shall be paid by the losing party.

D. Binding Effect

The provisions of the Plan, the Confirmation Order and any associated findings of fact or conclusions of law shall bind the Debtor, any entity acquiring property under the Plan and any Creditor of the Debtor, whether or not the Claim of such Creditor is Impaired under the Plan and whether or not such Creditor has accepted the Plan.

E. Vesting of Property

Confirmation of the Plan, vests all of the property of the Debtor's Estate, including Causes of Action, in the Reorganized Debtor. As of the Effective Date, the assets of the Debtor dealt with under the Plan shall be free and clear from any and all Claims or the Holders of Claims, except as specifically provided otherwise in the Plan or the Confirmation Order. On the Confirmation Date, the Reorganized Debtor shall be entitled to operate and conduct its affairs without further order of the Court and to use, acquire and distribute any of its property free of any restrictions of the Bankruptcy Code or the Court, except as specifically provided otherwise in the Plan or Confirmation Order. The terms of the Plan shall supersede the terms of all prior orders entered by the Court in the Bankruptcy Case and the terms of all prior stipulations and other agreements entered into by the Debtor with other parties in interest, except as specifically recognized in the Plan or the Confirmation Order.

F. Modification and/or Amendment of the Plan

The Plan Proponents may modify the Plan at any time before Confirmation. However, the Court may require a new Disclosure Statement and/or re-voting on the Plan.

The Plan may be modified by the Reorganized Debtor at any time after the Confirmation Date, provided that such modification meets the requirements of the Bankruptcy Code and is not inconsistent with the provisions of the Plan. The Plan may be modified or amended after Confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

The Debtor and the Reorganized Debtor may, with the approval of the Court, and so long as it does not materially or adversely affect the interests of Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan, or in the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

G. Revocation of an Order Confirming the Plan

Pursuant to Bankruptcy Code Section 1144, on request of a party in interest at any time before 180 days after the Confirmation Order becomes a Final Order, and after notice and a hearing, the Court may revoke the Confirmation Order only if such order was procured by fraud.

H. Post-Confirmation Status Report

Within ninety (90) days of the Confirmation Order, the Reorganized Debtor shall file a status report with the Court substantially in the form of the U.S. Trustee's Chapter 11 Post Confirmation Quarterly Report (UST-3 Post Confirmation Report), explaining what progress has been made toward consummation of the Plan. The status report shall be served on the United States Trustee and those parties who have requested special notice. Further status reports shall be filed every ninety (90) days and served on the same entities, until entry of a Final Decree.

I. Final Decree

Within thirty (30) days after Confirmation, or once the bankruptcy estate of Fansteel has been fully administered pursuant to Bankruptcy Rule 3022 and applicable case law, the Plan Proponents, or such other parties as the Court may designate in the Confirmation Order, shall file a final report and motion with the Court to obtain a final decree to close the case.

J. Effect on Claims and Interests

A Creditor that has previously accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan, as modified, unless, within the time fixed by the Court, such Creditor elects in writing to change his/her/its previous acceptance or rejection.

K. Termination of the Official Committee

On the Effective Date, the Official Committee shall dissolve and the members of the Official Committee shall be released and discharged from all rights and duties arising from or related to the Bankruptcy Case. On the Effective Date, all Claims or Causes of Action, if any, of the Debtor or Reorganized Debtor against any member of the Official Committee, and any officer, director, employee, or agent of an Official Committee member shall be compromised, settled, and released in consideration of the terms of this Plan. As of the date hereof, the Debtor is not aware of any such claims.

L. Bar Date for Administrative Expense Claims.

All Non-Governmental Administrative Expense Claimants, including Professional Persons, shall file motions for allowance of their Administrative Expense Claims not later than 30 days after the Confirmation Date or such Administrative Expense Claims shall be disallowed and forever barred.

Any Creditor or party in interest having any Claim or Cause of Action against the Debtor, or against any Professional Persons relating to any actions or inactions in regard to the Bankruptcy Case, must pursue such Claim or Cause of Action by the commencement of an

adversary proceeding within 30 days after Confirmation of the Plan, or such Claim or Cause of Action shall be forever barred and released. Nothing in this Section shall be construed to affect the Bar Date for filing pre-petition Claims against the Debtor.

The Office of the United States Trustee shall not be obligated to file any Proof of Claim for either pre-confirmation or post-confirmation fees owed by the Debtor for and on account of the U.S. Trustee Quarterly Fees.

M. Retained Bankruptcy Court Jurisdiction

The Court shall retain jurisdiction over the Bankruptcy Case subsequent to the Confirmation Date to the fullest extent permitted under Section 1334 of Title 28 of the United States Code, including but not limited to, the following:

1) To determine any requests for subordination pursuant to the Plan and Bankruptcy Code Section 510, whether as part of an objection to Claim or otherwise;

2) To determine any motion for the sale of the Debtor's property or to compel reconveyance of a lien against or interest in the Debtor's property upon the payment, in full, of a Claim secured under the Plan;

3) To determine any and all objections to the allowance of Claims, including the objections to the classification of any Claim, and including, on an appropriate motion pursuant to Bankruptcy Rule 3008, reconsidering Claims that have been allowed or disallowed prior to the Confirmation Date;

4) To determine any and all applications of Professional Persons, and any other fees and expenses authorized to be paid or reimbursed in accordance with the Bankruptcy Code or the Plan;

5) To determine any and all pending applications for the assumption or rejection of executory contracts, or for the rejection or assumption and assignment, as the case may be, of unexpired leases and executory contracts to which the Debtor is a party, or with respect to which it may be liable, and to hear and determine, and if need be, to liquidate any and all Claims arising therefrom;

6) To hear and determine any and all actions initiated by the Debtor or the Reorganized Debtor to collect, realize upon, reduce to judgment, or otherwise liquidate any Causes of Action of the Debtor or the Reorganized Debtor;

7) To determine any and all applications, motions, adversary proceedings and contested or litigated matters, whether pending before the Court on the Confirmation Date, or filed or instituted after the Confirmation Date, including, without limitation, proceedings under the Bankruptcy Code or other applicable law, seeking to avoid and recover any transfer of an interest of the Debtor, and property or obligations incurred by the Debtor, or to exercise any rights pursuant to Bankruptcy Code Sections 544-550;

8) To modify the Plan or Disclosure Statement, to remedy any defect or omission, or reconcile any inconsistency in an the order of the Court, including the Confirmation Order, the Plan or the Disclosure Statement, in such manner as may be necessary to carry out the purposes and effects of the Plan;

9) To determine disputes regarding title of the property claimed to be property of the Debtor whether as Debtor or Debtor in Possession;

10) To ensure that the Distributions to holders of Claims are accomplished in accordance with the provisions of the Plan;

11) To hear and determine any enforcement actions brought by the Collateral Trustee (or a beneficiary of the Collateral Trust) pursuant to the Collateral Trust Agreement;

12) To liquidate or estimate any undetermined Claim or Interest;

13) To enter such orders as may be necessary to consummate and effectuate the operative provisions of the Plan, including actions to enjoin enforcement of Claims inconsistent with the terms of the Plan;

14) To hear any other matter not inconsistent with Chapter 11 of the Bankruptcy Code;

15) To enter a final decree closing the Bankruptcy Case;

16) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated; and

17) To determine such other matters as may arise in connection with the Plan, the Disclosure Statement or the Confirmation Order.

If the Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of the Bankruptcy Case, this post-confirmation jurisdiction section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

XVIII. CONCLUSION AND RECOMMENDATION

This Disclosure Statement has been presented for the purpose of enabling Creditors to make an informed judgment to accept or reject the Plan. Creditors are urged to read the Plan in full and consult with their counsel if questions arise.

Notwithstanding any inconsistencies between this Disclosure Statement and the Plan, the terms and conditions of the Plan shall control the treatment of Creditors and the amounts of any Distributions under the Plan.

The Debtor believes that the text of this Disclosure Statement, its Exhibits, and the Plan itself, as incorporated herein, demonstrate that the Plan will provide the greatest amount of funds for the payment of the legitimate Claims of Creditors.

The Debtor strongly urges all Creditors to vote to accept the Plan. You are urged to complete the enclosed ballot and return it immediately in accordance with the instructions above.

DATED: March 6, 2017

Respectfully submitted,

Fansteel, Inc.

By: */s/ James Mahoney*
It's Chief Executive Officer

Prepared by:
Jeffrey D. Goetz, Esq., IS# 9999366
Krystal R. Mikkilineni, Esq., IS# 9999933
Bradshaw, Fowler, Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, IA 50309-8004
515/246-5817
515/246-5808 FAX
goetz.jeffrey@bradshawlaw.com

General Reorganization Counsel for
Debtor, Debtor in Possession and Plan Proponent

FANSTEEL (OPTION 1) CLASS 10 PAYMENT SCHEDULE

Payment Computation Information		Summary	
Class Amount Total	4,063,181	Rate (per period)	0.750%
Annual Interest Rate	3.00%	Total Payments	4,497,922
Term Payment in Years	5	Total Interest	434,741
First Payment Date	5/1/2017		-
Payment Frequency	Quarterly		

Amortization Schedule

No.	Due Date	Payment Due		Interest	Principal	Balance
						4,063,181
1	5/1/17	30,474	Interest Only	30,474		4,063,181
2	8/1/17	30,474	Interest Only	30,474		4,063,181
3	11/1/17	30,474	Interest Only	30,474		4,063,181
4	2/1/18	30,474	Interest Only	30,474		4,063,181
5	5/1/18	217,902		30,474	187,428	3,875,753
6	8/1/18	217,902		29,068	188,834	3,686,919
7	11/1/18	217,902		27,652	190,250	3,496,669
8	2/1/19	217,902		26,225	191,677	3,304,992
9	5/1/19	217,902		24,787	193,115	3,111,878
10	8/1/19	217,902		23,339	194,563	2,917,315
11	11/1/19	217,902		21,880	196,022	2,721,293
12	2/1/20	217,902		20,410	197,492	2,523,800
13	5/1/20	217,902		18,929	198,973	2,324,827
14	8/1/20	217,902		17,436	200,466	2,124,361
15	11/1/20	217,902		15,933	201,969	1,922,392
16	2/1/21	217,902		14,418	203,484	1,718,908
17	5/1/21	217,902		12,892	205,010	1,513,898
18	8/1/21	217,902		11,354	206,548	1,307,350
19	11/1/21	217,902		9,805	208,097	1,099,253
20	2/1/22	1,107,497		8,244	1,099,253	0

EXHIBIT A

Huntington BUSINESS CREDIT

February 23, 2017

Wellman Dynamics Inc., & Subsidiaries
1746 Commerce Road.
Creston, IA 50801

Attention: Jim Mahoney – President

Re: Proposal Letter – Financing for Wellman Dynamics, Inc., & Subsidiaries

Dear Jim:

In connection with our recent discussions with you regarding the financing needs of Wellman Dynamics, Inc., and its subsidiaries (collectively, "you" or the "Borrower"), The Huntington National Bank ("Huntington") is pleased to provide you with the financing proposal described in this letter and the preliminary term sheet attached hereto collectively, this "Proposal Letter". We propose aggregate credit facilities of up to $30,000,000 the "Proposed Credit Facilities".

This Proposal Letter is presented for discussion purposes only and constitutes a proposal and not a commitment by Huntington. Notwithstanding any discussions of terms or exchange of draft documents, we shall have no commitment or obligation with respect to the Proposed Credit Facilities unless and until the execution of a commitment letter in connection herewith or the execution of definitive documentation. The terms and conditions of this Proposal Letter, including, without limitation, the amounts, interest rates, amortization and fees, do not purport to summarize all of the terms that may be included in the definitive documentation, and they may be modified or supplemented by us in our sole discretion at any time and from time to time during the course of our due diligence and credit approval process, whether as a result of changed market conditions or otherwise.

In pursuing the transaction further, we will need to conduct a more detailed review and analysis of the transaction which is the subject of this Proposal Letter and of your projections and assets. In connection with the Proposed Credit Facilities, the Borrower agrees to provide to Huntington, in a reasonably prompt manner, all documents, reports, agreements, financial and other information, and any existing environmental reports, non-confidential appraisals and other items as we or our counsel may reasonably request with respect to the Borrower and its business. In issuing this Proposal Letter, Huntington is relying on the accuracy of all information furnished to us by or on behalf of the Borrower and its affiliates, and we have not independently verified such accuracy.

EXHIBIT B

The Borrower hereby agrees to pay all costs and expenses of providing Huntington with such appraisals, audits, environmental studies, financial reports and other documents as may be requested in connection with the credit and due diligence investigation of the Borrower. In order to conduct this analysis, we will require payment of a deposit of $60,000.00 (the "Initial Deposit") upon execution of this Proposal Letter. The Borrower acknowledges that Huntington, in its sole discretion, may require customer, vendor and credit reference checks, tax lien, litigation and judgment searches, and background reports on the Borrower and certain key individuals associated with the Borrower.

In addition to the Initial Deposit, and whether or not we issue a commitment with respect to the Proposed Credit Facilities, you hereby agree to deliver to Huntington, upon request by Huntington, such additional deposits (together with the Initial Deposit, collectively, the "Deposit") as may be necessary to pay all expenses in excess of the Initial Deposit (including reasonable fees and disbursements of counsel) incurred in connection with this Proposal Letter and the transactions contemplated hereby. In the event the Proposed Credit Facilities are consummated, the Deposit, less all expenses incurred, will be applied at closing toward any other closing fees and expenses. In the event Huntington does not issue a commitment for any reason, then the Deposit, less all expenses incurred, will be returned to you. If a commitment is issued by Huntington and the Proposed Credit Facilities are not consummated for any reason, then Huntington will be entitled to retain the unused portion of the Deposit.

You agree to indemnify and hold harmless Huntington, its affiliates, and each of their respective officers, directors, employees, agents, advisors, attorneys and representatives (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and disbursements of counsel), that may be incurred by or awarded against any Indemnified Party (including, without limitation, in connection with any investigation, litigation or proceeding), in each case arising out of this Proposal Letter, except to the extent such claim, damage, loss, liability or expense is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether such investigation, litigation or proceeding is brought by the Borrower or any other person including an Indemnified Party, whether an Indemnified Party is otherwise a party thereto and whether the transactions contemplated hereby are consummated.

You further agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Borrower in connection with the transactions contemplated hereby, except for direct damages (as opposed to special, indirect, consequential or punitive damages) determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

By your acceptance of this Proposal Letter, you agree that this Proposal Letter is for your confidential use only and that neither its existence nor the terms hereof will be disclosed by you to any person other than your officers, directors, employees, accountants, attorneys and other advisors, and then only on a "need to know" basis in connection with the transactions contemplated hereby and on a confidential basis; provided, however, that you may in any event make such public disclosures as are required by law. Officers, directors, employees and agents of Huntington and its affiliates shall at all times have the right to share amongst themselves information received from the Borrower, its affiliates and your respective officers, directors, employees and agents.

This Proposal Letter shall be governed by, and construed in accordance with, the laws of the State of Ohio. This Proposal Letter may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same Proposal Letter. Delivery of an executed counterpart of a signature page to this Proposal Letter by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Proposal Letter. This Proposal Letter supercedes any and all prior versions hereof.

If this Proposal Letter represents a satisfactory basis for us to continue our consideration of the Proposed Credit Facilities, please indicate your acceptance of the provisions hereof by signing the enclosed copy of this Proposal Letter and returning it along with the Initial Deposit to Larry Swinney at Huntington at or before 5:00 p.m. (Eastern Standard time) on March 3, 2017 the time at which this proposal (if not so accepted prior thereto) will expire.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

We are pleased to have the opportunity to present this proposal to you and look forward to working with you on the Proposed Credit Facilities.

Very truly yours,

The Huntington National Bank

By: _____
Name: Larry Swinney
Title: Senior Vice President

ACCEPTED this 28 day of Feb, 2017

Wellman Dynamics, Inc.

By: _____
Name: James J. Mahoney
Title: CEO

PRELIMINARY TERM SHEET

This Preliminary Term Sheet constitutes a part of that certain Proposal Letter, of even date herewith, and outlines certain terms of the Proposed Credit Facilities referred to in the Proposal Letter. The Proposal Letter, including the terms and conditions set forth below, is a proposal to be used as a basis for continuing discussions, and does not constitute a commitment of The Huntington National Bank. Certain capitalized terms used herein are defined in the Proposal Letter.

Borrower(s):	Wellman Dynamics, Inc. (the "Company"), and all of its subsidiaries, including Intercast, Wellman Dynamics Machining & Assembly [excluding WDMI] (collectively, the "Borrower).
Lender:	The Huntington National Bank ("Huntington")
Purpose:	Proceeds of the Proposed Credit Facilities shall be used solely by the Borrower: (i) to refinance the Borrower's existing credit facilities with Terra Mar Capital; (ii) priority claims and accrued restructuring fees; (iii) provide working capital for the Borrower; and (iv) for other general corporate purposes of the Borrower.
Letter of Credit Issuer:	Huntington
Proposed Credit Facilities:	Up to $30,000,000 in the aggregate of loans and other financial accommodations as follows: ***Revolving Credit Facility***: A five - year, non-amortizing revolving credit facility of $25,000,000 made available to the Borrower subject to a Borrowing Base (as defined below) and including a subfacility for the issuance of letters of credit. Revolving credit loans would be available from the closing date through maturity ("the "Maturity Date"). All revolving credit loans outstanding shall become due and payable on the Maturity Date. No letter of credit shall have an expiration date after the earlier of (i) one year after the date of issuance and (ii) 5 business days prior to the Termination Date. Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of revolving credit loans) on the same business day. ***M&E Term Loan Facility***: Up to a $3,000,000 amortizing term loan facility. Principal payments of $50,000 shall be due and payable on a monthly basis through the term of the term loan facility with the remaining balance due on the Maturity Date.

Real Estate Term Loan Facility: Up to a $2,000,000 amortizing term loan facility. Principal payments of $11,083 shall be due and payable on a monthly basis through the term of the term loan facility with the remaining balance due on the Maturity Date.

Borrowing Base Availability:

Revolving Credit Facility. Availability of revolving credit loans (including Letters of Credit) under the Revolving Credit Facility will be subject to the following Borrowing Base:

"*Borrowing Base*" means: the sum of (A) up to 85% of eligible third party accounts receivable of the Borrower up to 90 days from invoice date *plus* (B) the lesser of (i) up to 55% of the lower of cost or market value of such eligible inventory or 85% of the Net Orderly Liquidation value of such eligible inventory, *plus* (C) up to 95% of cash collateral *less* (D) such availability reserves applicable to such Borrower as Huntington, in its sole discretion, deems appropriate.

There will be a mutually agreed upon maximum advance against eligible inventory to be determined and set forth in the definitive documentation.

Term Loan Facilities - Availability of term loans in an amount up to 75% of the appraised forced liquidation value of eligible machinery and equipment *plus* up to 75% of the appraised quick sale value of eligible real estate.

Excess Cash Flow Recapture:

Annually, subsequent to receipt of the 12/31/2017 fiscal year end audited financial statements, 25% of excess annual cash flow (defined as EBITDA *less* unfinanced capital expenditures, taxes, scheduled principal payments and interest paid) will be recaptured. Amount will be applied to the Real Estate term loan in the inverse order of amortization.

Maturity Date:

Five (5) years from date of close.

Interest:

Revolving Credit Facility - Revolving credit loans will bear interest at Huntington's fluctuating Alternative Base Rate *plus* 1.25% and/or LIBOR Rate *plus* 3.25%, in each case, as specified in the definitive loan documentation and payable monthly in arrears.

Term Loans - Term loans facilities will bear interest at Huntington's fluctuating Alternate Base Rate *plus* 2.0% and/or LIBOR Rate *plus* 4.0%, in each case, as specified in the definitive loan documentation and payable monthly in arrears.

	Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed during any computation period.
Letter of Credit Fees:	Letter of Credit fees will be equivalent to the revolving credit interest rate for LIBOR Rate loans *plus* Huntington's issuance fees.
Default Interest:	During the continuance of an Event of Default (as defined in the loan documentation), all loans will bear interest at an additional 2.0% *per annum* over the otherwise highest applicable interest rate.
Upfront Fee:	Upfront Fee equal to 1.0% of the aggregate Proposed Credit Facility will be due and payable to Huntington on a non-refundable basis at closing (the "Upfront Fee"). If Huntington issues a commitment letter prior to closing the Proposed Credit Facility, 50% of the Upfront Fee shall be due, payable and non-refundable upon the issuance of the commitment letter, and the remainder shall be due, payable and non-refundable at closing.
Unused Facility Fee:	An unused facility fee will accrue on the revolving credit facility at 0.375% per annum on the daily average unused portion of the revolving credit facility (whether or not then available), payable monthly in arrears and on the Maturity Date. The unused facility fee shall be calculated on the basis of a 360-day year for the actual number of days elapsed.
Collateral Management and Collateral Evaluation Fee:	The Borrower shall pay to Huntington for its own account a collateral monitoring fee equal to $9,000.00 Thousand Dollars $750.00 per calendar month commencing on the closing date and on the first day of each calendar month thereafter until the Maturity Date. The collateral management fee shall be deemed earned in full on the date when same is due and payable hereunder and shall not be subject to rebate or proration upon termination of the definitive documentation for any reason. Collateral evaluation fees for audits and evaluations shall accrue at $950 per man-day plus expenses and be due and payable upon completion of each audit or collateral evaluation.
Prepayment Fee:	3.00% of the aggregate commitment if prepaid within one year from the closing date; 1.50% of the aggregate commitment if prepaid in year two and 0.75% in year three and 0% thereafter. There will be no Prepayment Fee if Borrower refinances during this period with Huntington.

Expenses:	The Borrower shall pay all (i) reasonable and documented costs and expenses of Huntington (including all reasonable fees, expenses and disbursements of outside counsel to Huntington) in connection with the preparation, execution and delivery of the loan documentation and the funding of all loans under the Proposed Credit Facilities, including, without limitation, all due diligence, transportation, computer, duplication, messenger, audit, insurance, background checks and consultant costs and expenses, and all search, filing and recording fees, incurred or sustained by Huntington in connection with the Proposed Credit Facilities, (ii) all costs and expenses of Huntington (including fees, expenses and disbursements of counsel) in connection with the loan documentation or the transactions contemplated thereby, the administration of the Proposed Credit Facilities (including the cost of any non-income tax, duty or other similar assessment or reserve, special deposit or charge) and any amendment or waiver of any provision of the loan documentation and (iii) costs and expenses of Huntington (including fees, expenses and disbursements of counsel) in connection with the enforcement of any of its rights and remedies under the loan documentation.
Security:	All obligations of the Borrower (including, without limitation, any exposure of Huntington in respect of Letters of Credit) will be secured by (i) a first priority perfected security interest in all of the Borrower's real and personal property, including all pledged cash, accounts receivable, inventory, equipment, real estate, fixtures, general intangibles, deposit accounts, investment property, commercial tort claims, letter-of-credit rights and letters of credit, chattel paper, instruments, documents, documents of title, policies and certificates of insurance, and proceeds; provided that the security interest in certain equipment may be subject to purchase money security interests and capital leases permitted by the loan documentation, and (ii) a first priority perfected pledge of all of the (x) notes owned by the Borrower and (y) capital stock or other equity interests of the Borrower's subsidiaries and future operating subsidiaries.
Guaranties	Each Borrower shall unconditionally guarantee all of the indebtedness, obligations and liabilities of each other Borrower arising under or in connection with the loan documents. In addition, any direct or indirect subsidiary of the Borrower/Company that is not a Borrower, the parent of the Borrower shall unconditionally guarantee all of the indebtedness, obligations and liabilities of the Borrower arising under or in connection with the loan documents.
Conditions Precedent to the Closing and Funding:	The loan documentation will contain conditions to the closing of the Proposed Credit Facilities, the advance of the loans, and the issuance of letters of credit including, but not limited to, the following:

The Borrower shall have executed and delivered satisfactory definitive financing documentation with respect to the Proposed Credit Facilities, including a credit agreement, security documents and other legal documentation mutually satisfactory to the Borrower and Huntington.

Final capital and legal structure to be satisfactory to Huntington in its sole discretion.

Evidence of Leonard Levy's Cash Liquidity satisfactory to Huntington and the delivery of Mr. Levy's current personal financial statements prior to close.

Leonard Levy to invest $7,000,000 of new cash equity at close.

$5,000,000 of cash collateral to be deposited at Huntington to support the cash secured advance.

Additional cash contributions commensurate to the Title III capital expenditure program.

Leonard Levy to convert $4,100,000 of sub debt to equity.

Court approval of re-organization plan and emergence date.

Liens creating a first priority security interest in the collateral shall have been perfected.

Satisfactory review of the Borrower's books and records and satisfactory trade references, and monthly and annual projections demonstrating the ability to repay the proposed financing, including third party review and validation of the company's re-organization plan / budget by a firm acceptable to Huntington.

Huntington shall have received (i) satisfactory audited consolidated financial statements of the Borrower for the two most recent fiscal years ended prior to the closing date as to which such financial statements are available, (ii) satisfactory unaudited interim consolidated financial statements of the Borrower for each fiscal month period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph and (iii) the Borrower's most recent projected income statement, balance sheet and cash flows for the period beginning May 1, 2017 and ending April 30, 2018.

Satisfactory asset-based field audit to be completed by examiners selected by Huntington.

Satisfactory completions and review of appraisals of the Borrower's inventory, machinery and equipment and real estate. The real estate appraisal *MUST* be initiated by Huntington.

Satisfactory receipt and results of all environmental assessments of Borrower's properties performed by firms acceptable to Huntington.

Satisfactory receipt and review of any landlord's waivers, non-offset agreements and other legal documents necessary for Huntington to advance against any inventory at off-site locations.

No material adverse change in the condition, financial or otherwise, operations, properties, assets or prospects of the Borrower.

Evidence that the borrower has met at least 85% of its projected 2017 year to date EBITDA prior to closing.

No material threatened or pending litigation or material contingent obligations.

Satisfactory documentation and satisfactory legal review of all documentation, including subordination and intercreditor agreements for the 501 Ocean Drive shareholder note and ATEK seller note.

Satisfactory legal opinions.

Evidence that all actions necessary or in the opinion of Huntington desirable to perfect and protect the security interest of Huntington have been taken.

With respect to each parcel of real property owned by the Borrower, receipt by Huntington of an "ALTA" survey, title policy and any other deliverables required by Huntington, in each case, satisfactory to Huntington, in its sole discretion.

The Borrower will have minimum "Excess Availability" under the Revolving Credit Facility of $4,000,000 at closing after fees, expenses and subtraction of trade payables 60 days or more past due. Such Excess Availability to be evidenced by a borrowing base certificate delivered to Huntington.

Satisfactory review by Huntington, in its sole discretion, of all material contracts including, but not limited to, purchase and sale agreements, related documentation specifying representations and warranties, and vendor supply agreements.

Evidence that the Borrower is in compliance with all pertinent Federal, State and local regulations including, but not limited to, those with respect to EPA, OSHA and ERISA.

The Borrower shall have established lockbox and blocked accounts required hereunder and shall have appropriately notified all account obligors to remit receivables to such lockbox and blocked accounts. Each agreement establishing a lockbox and/or blocked account, and each deposit account control agreement applicable thereto, shall have been executed on or prior to closing of the transaction and shall be in form and substance acceptable to Huntington.

Huntington shall have received all fees required to be paid, and all expenses for which invoices have been presented, on or before the closing date.

Representations and Warranties:

The loan documentation will contain representations and warranties including, without limitation, with respect to valid existence, requisite power, due authorization, no conflict with agreements or applicable law, enforceability of loan documentation, accuracy in all material respects of financial statements and all other information provided, compliance with law in all material respects, absence of a material adverse change, no default under the loan documentation, absence of material litigation, ownership of properties and necessary rights to intellectual property, no burdensome restrictions, inapplicability of Investment Company Act or Public Utility Holding Company.

Affirmative and Negative Covenants:

The loan documentation will contain affirmative and negative covenants including, without limitation, the following:

Restrictions on mergers, acquisitions, investments, divestitures, sale of assets, loans, additional indebtedness, liens, leases, guarantees, capital expenditures, distributions and management fees.

Maintain: (i) one or more lockboxes and blocked accounts with Huntington and (ii) to the extent acceptable to Huntington, in its sole discretion, one or more lockboxes and blocked accounts with such other banks (in which case, the block account maintained at Huntington will also function as a cash concentration account). Each such lockbox and blocked account maintained at Huntington and any such other bank shall be subject to a deposit account control letter. All proceeds of collateral shall be required to be remitted to such lockboxes and accounts.

In calculating availability, customer remittances consisting of items of payment will be deemed to have been received and will be provisionally credited to loan outstandings on the business day immediately following the day of receipt. In calculating interest and other charges, all customer remittances shall be deemed to have been applied to Loans one (1) business day after the business day Huntington is deemed to have received such remittances.

The Borrower shall provide annual audited combined and combining financial statements of the Borrower within 90 days after the fiscal year end, and monthly combined and combining internal statements within 30 days after each fiscal month end.

Reporting to include a monthly accounts receivable aging, monthly inventory listing (to include a lower of cost or market calculation) and monthly accounts payable aging. Covenant compliance calculations and a certificate of no default shall be provided concurrently with required financial statements. A borrowing base certificate shall be submitted by Borrower no less frequently than monthly. Sales, cash receipts and credits (i.e. credit memos, discounts, etc.) must be submitted by the Borrower no less frequently than weekly.

Financial Covenant:

Minimum fixed charge coverage ratio of 1.10 to 1.00, to be tested on a quarterly basis (for the rolling four quarter testing period).

"***Fixed Charge Coverage Ratio***" shall be defined as the sum of (i) EBITDA *less* unfinanced Capital Expenditures, *less* cash taxes, *less* cash distributions *divided by* (ii) the sum of scheduled principal debt payments *plus* cash interest.

Minimum Excess Availability TBD during Underwriting

Minimum EBITDA covenant TBD, subject to terms as follows:

(i) Owner will execute a capital call agreement enforceable by either the Borrower or Lender pursuant to which the owner agrees to inject additional cash equity investments in Borrower in an amount equal to any shortfall below the Minimum EBITDA financial covenant for 2017. If the Borrower meets the Minimum EBITDA financial covenant for FYE 2017 (or any subsequent year) then the capital call agreement would expire.

(ii) If the Borrower fails to meet the Minimum EBITDA financial covenant for FYE 2017, then the capital call agreement will remain in place.

Events of Default:

The loan documentation will contain events of default including, without limitation, the following:

Failure to make payments when due of interest and/or principal of any advance, loan or drawing under the Proposed Credit Facilities, or any fee there under. Payment defaults to include violation of the borrowing base.

Breaches of representations and warranties.

Any violation in any respect of any covenant.

Any of the security interests or liens granted to Huntington in the definitive documentation ceases to be a valid, binding and enforceable first priority security interest including any impairment of the loan documentation and change of ownership or control.

Any default related to other material indebtedness by the Borrower, which has continued beyond the grace period or for a period of time sufficient to permit the acceleration of such indebtedness.

Any failure to satisfy or stay execution of judgments in excess of specified amounts.

Any material adverse change as defined in the definitive documentation.

The existence of certain employee benefit or environmental liabilities or non-monetary judgments.

Miscellaneous: The loan documentation will include standard yield protection provisions (including, without limitation, provisions relating to compliance with risk-based capital guidelines, increased costs (including, but not limited to, interest period breakage costs and maximum statutory Eurodollar reserve costs, whether or not incurred) and payments free and clear of withholding taxes).

Indemnification: The Borrower shall indemnify and hold harmless Huntington and each of its affiliates and each of its officers, directors, employees, agents, advisors, attorneys and representatives for each from and against any and all claims, damages, losses, liabilities and expenses all in connection with the transactions contemplated hereby to the extent specified in any commitment letter issued in connection herewith or the definitive documentation.

Governing Law: State of Ohio

Counsel: Parker, Hudson, Rainer & Dobbs, LLP.

FANSTEEL INC.					
NON-OBJECTING BENEFICIAL OWNERS (NOBO)	before May	Leonard buying Zamec	After May		
NAME					
BRIAN FRANCIS CASSADY	126		126		
GREENWICH INVESTMENT CO LLC	103	47	150		
CURTIS J ZAMEC II & JANE E ZAMEC JT	34	-34	0		
BRIAN F CASSADY	6		6		
REGEN CAPITAL I INC	3		3		
JOSEPH S OR THERESA L MARRANCA	3		3		
THE PETER JR TRAPP	3		3		
GREGORY JAN SLUPECKI	2		2		
RIVERSIDE CONTRACTING LLC	2		2		
MICHAEL ARMSTRONG SEP IRA	1		1		
FMT CO CUST IRA ROLLOVER	1		1		
MARIA E TSOUKALAS	1		1		
NICHOLAS P TSOUKALAS	1		1		
Subtotal	**286**	**13**	**299**		
HELD BY BROKERS					
MORGAN STANLEY	1		1		
CHARLES SCHWAB & CO. INC.	2		2		
TD AMERITRADE CLEARING INC	3		3		
J.P. MORGAN CLEARING CORPORATION	1		1		
PERSHING LLC	1		1		
E*TRADE SECURITIES LLC	1		1		
NATIONAL FINANCIAL SERVICES LLC	4		4		
Subtotal	**13**	**0**	**13**		
AEROCRAFT HEAT TREATING CO	1		1		
69 SHARES HELD AT RT&CO FOR EXCHANGE:					
SAEGERTOWN MANUFACTURING	3		3		
ALLDYNE POWDER TECHNOLOGIES	2		2		

EXHIBIT C

SPYRIDON TSOUKALAS	1		1		
AMERICAN EXPRESS	1		1		
EULAR AMERICAN CREDIT INDEMNITY	1		1		
MICHAEL MOCNIAK	1		1		
RAMIUS SECURITIES LLC AS	1		1		
MATTCO FORGE INC	1		1		
ADDITIONAL LEONARD LEVIE SHARES HELD AT RT&CO	35		35		
ADDITIONAL CURTIS ZAMEC SHARES HELD AT RT&CO	13	-13	0		
NOT EXCHANGED/UNKNOWN					
				270	
TOTAL NON-OBJECTING BENEFICIAL OWNERS	**346**	**47**	**346**	47	
OBJECTING BENEFICIAL OWNERS (OBO) 4 ENTITIES	**11**				
TOTAL SHARES	**357**				
		before transfer		After transfer	
	Leonard	138		185	52%
	Brian	132		132	37%
	Curt	47		0	0%
				317	

ACKNOWLEDGMENT AND AGREEMENT

This Acknowledgment and Agreement is made as of February 25, 2017 by 510 Ocean Drive Debt Acquisition, LLC, a Domestic Limited Liability Company organized in the State of Florida ("510 Ocean"). 510 Ocean holds title to a secured note in in Fansteel, Inc., ("Fansteel"), a corporation organized under the laws of the State of Delaware, and a Debtor and Debtor in Possession in the pending Chapter 11 case entitled In re: Fansteel, Inc., Case No. 16-01823-als11 pending in the U.S. Bankruptcy Court for the Southern District of Iowa ("Court"). Fansteel seeks an order of the Court confirming Fansteel's First Amended Plan of Reorganization Dated February 16, 2017, as amended (the **"Plan"**). As used herein, capitalized terms defined in the Plan and not otherwise defined herein shall have the meanings given to them in the Plan.

510 Ocean hereby (i) acknowledges receipt of the Plan and the Huntington Bank New Senior Secured Credit Facility Proposal dated February 24, 2017; (ii) acknowledges it has the intent and, directly or through its affiliates, has the ability to materially support the Plan (iii) consents to the terms, conditions, classification and treatment of the 510 Ocean Class 3 Claim; (iv) subject to Huntington's issued commitment to loan Fansteel $30 million, consents to provide the New Value Equity Investment Cash, as referenced and defined within the Plan. Notwithstanding the above, this Acknowledgement and Agreement is subject to an absence of material adverse change in the finances and business of Fansteel in the 30 days preceding the funding date.

510 Ocean Drive Debt Acquisition, LLC

By: _____

Leonard Levie, Managing Member

EXHIBIT D

BEFORE

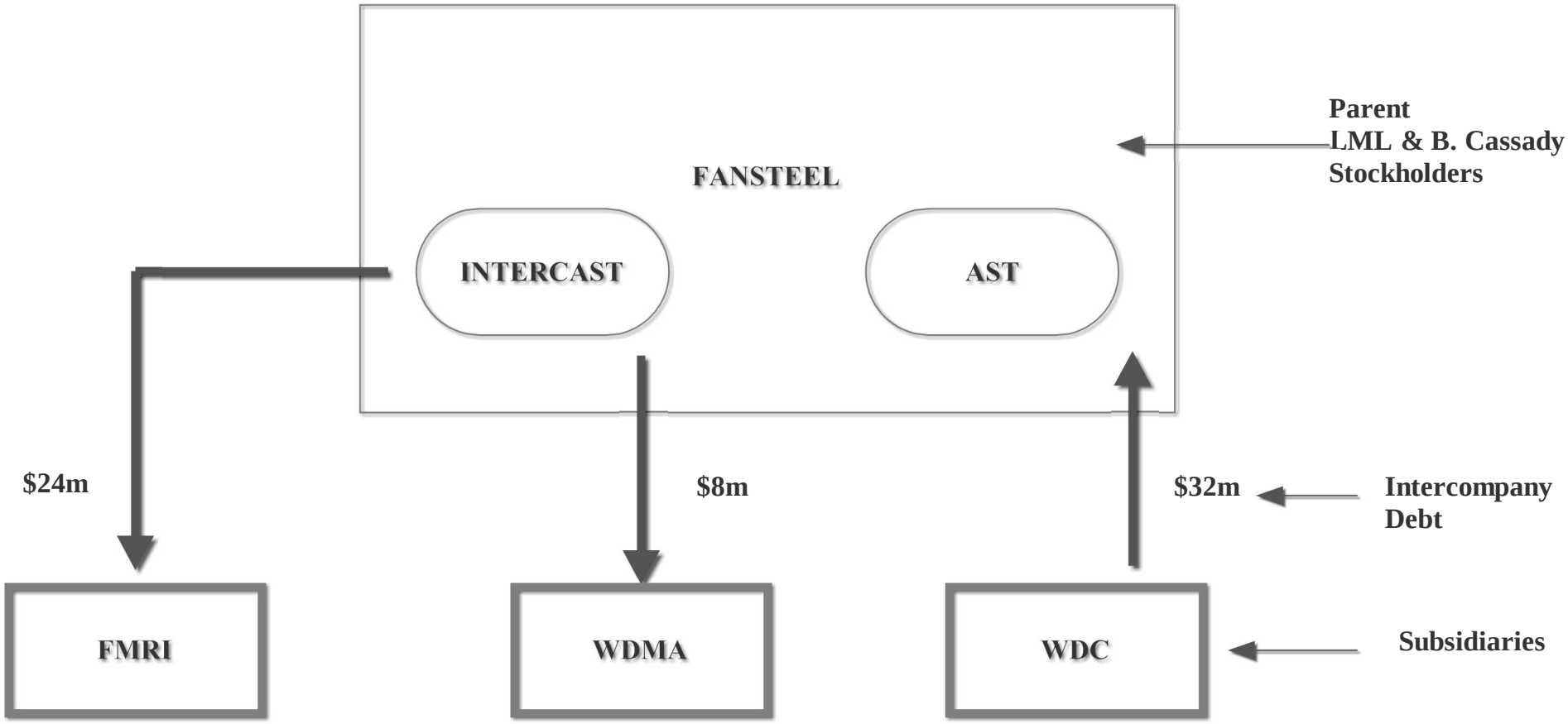
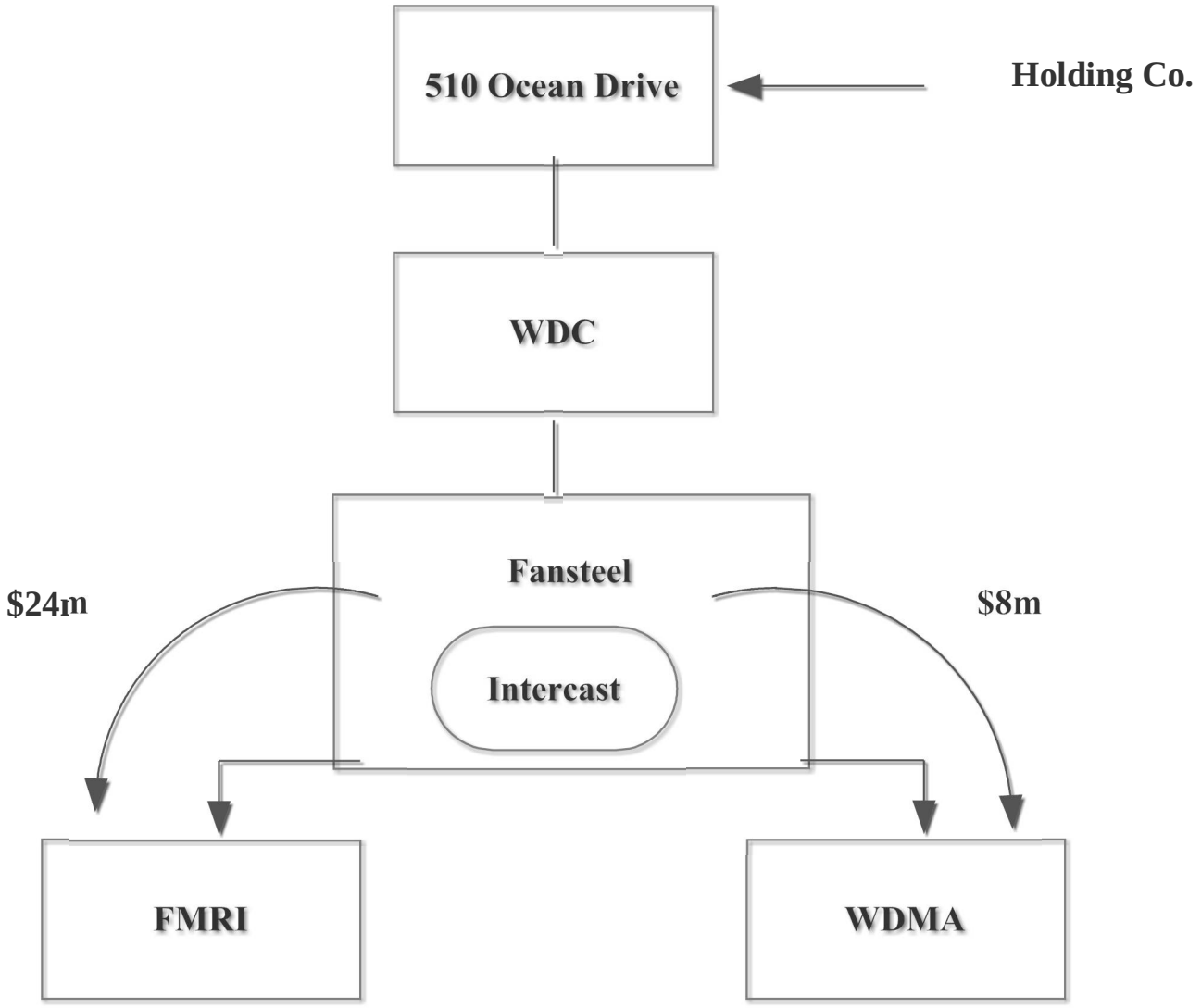


EXHIBIT E

AFTER



1. **Rename Fansteel as Intercast**
2. **WDC parent company via an intercompany debt for equity conversion**
3. **510 Ocean Drive recapitalizes WDC in a debt for equity converstion**

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF IOWA

In Re:	)	Lead Case No. 16-01823-als11
	)	Affiliated Case Nos. 16-01825-als11
FANSTEEL, INC., *et al.*	)	16-01827-als11
	)	
Debtor and Debtor in Possession.	)	Chapter 11 (Jointly Administered)
	)	
1746 Commerce Rd. Creston, IA 50801	)	Hon. Anita L. Shodeen
	)	
EIN: 36-1058780	)	
	)	
And Affiliated Cases	)	
	)	

COLLATERAL TRUST AGREEMENT

Dated: February ____, 2017

Jeffrey D. Goetz
Bradshaw, Fowler, Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, Iowa 50309-8004
Telephone: (515) 246-5817
Facsimile: (515) 246-5808
E-Mail: goetz.jeffrey@bradshawlaw.com

Counsel to Fansteel, Inc., et al

EXHIBIT F

COLLATERAL TRUST AGREEMENT

PREAMBLE

This Collateral Trust Agreement (the "***Collateral Trust Agreement***") is made as of the Effective Date by and between the _____, not individually, but solely as trustee of the Fansteel, Inc. ("***Fansteel***") Collateral Trust (the "***Collateral Trustee***"), and Fansteel (the "***Debtor***," and after the Effective Date, the "***Reorganized Debtor***", and collectively with the Collateral Trustee and the Debtor, the "***Parties***") in accordance with the First Amended Plan of Reorganization dated _____, as amended (the "***Plan***"), confirmed by the Bankruptcy Court (as defined *infra*) by the Order Confirming First Amended Plan of Reorganization Dated _____ dated _____ (the "***Confirmation Order***").[2]

R E C I T A L S:

A. On September 13, 2016, the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***") in the United States Bankruptcy Court for the Southern District of Iowa (the "***Bankruptcy Court***");

B. On January 12, 2017, the Debtor filed its Plan, which, *inter alia*, contemplates the formation of the Fansteel Collateral Trust (the "***Collateral Trust***"), which shall hold the Collateral Trust Security Interest, and the Class 10 Promissory Note (each as defined in the Plan and this Collateral Trust Agreement), for the benefit of Holders of Allowed Class 10 Claims under the Plan (collectively, the "***Beneficiaries***");

C. The Plan and the Confirmation Order provide, among other things, that the Collateral Trustee shall be empowered to (i) monitor the Reorganized Debtor's distributions, pursuant to the Plan, the Confirmation Order and this Collateral Trust Agreement, to the Beneficiaries, or (ii) alternatively, in the event that the Reorganized Debtor does not timely make distributions to the Beneficiaries in accordance with the Plan, or otherwise fails to comply with its obligations under the Plan, to exercise, for the benefit of the Beneficiaries, the Collateral Trust's rights under the Collateral Trust Security Interest, and the Class 10 Promissory Note;

D. The Collateral Trust is created pursuant to, and to effectuate, the Plan and the Confirmation Order;

E. The Collateral Trust is created on behalf of, and for the sole benefit of, the Beneficiaries;

F. The powers, authority, responsibilities and duties of the Collateral Trustee shall be governed by this Collateral Trust Agreement, the Plan, applicable orders issued by the Bankruptcy Court (including the Confirmation Order), and general fiduciary obligations of trustees under Iowa law;

---

[2] Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan.

G. Pursuant to the terms and conditions of the Plan, the Confirmation Order and this Collateral Trust Agreement, the Collateral Trustee shall hold the Collateral Trust Security Interest, representing a blanket security interest in all assets of the Reorganized Debtor, which security interest shall be subordinate to the security interest held by the New Senior Secured Credit Facility and certain purchase-money security interests perfected prior to the Effective Date, and may be subordinated in the future to a secured lender in accordance with this Collateral Trust Agreement; and

H. This Collateral Trust Agreement is intended to supplement and complement the Plan and the Confirmation Order; provided, however, that if any of the terms and/or provisions of this Collateral Trust Agreement conflict with the terms and/or provisions of the Plan or the Confirmation Order, the Plan and the Confirmation Order shall govern; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Plan and the Confirmation Order, the Parties agree as follows:

ARTICLE I
ESTABLISHMENT OF THE COLLATERAL TRUST

1.1 Collateral Trust Note. Pursuant to the Plan, on the Effective Date, the Reorganized Debtor shall execute a promissory note to the Collateral Trust for the benefit of Holders of Allowed Class 10 Claims (the "***Collateral Trust Note***"), in form and substance substantially similar to that attached hereto as Group Exhibit A. The Collateral Trust Note shall evidence the obligation of the Reorganized Debtor, set forth in the Plan, to make distributions to Holders of Allowed Class 10 Claims.

1.2 Grant of Security Interest in the Collateral; Debtor Covenants Regarding Collateral

1.2.1 Pursuant to the Plan, the Reorganized Debtor, as Grantor, and the Collateral Trustee, as Trustee, hereby establish the Collateral Trust for the benefit of the Beneficiaries. To secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of all of the obligations of the Reorganized Debtor under the Collateral Trust Note, the Plan and this Collateral Trust Agreement (collectively, the "***Secured Obligations***"), the Reorganized Debtor, pursuant to the Confirmation Order, hereby grants to the Collateral Trustee, for the benefit of the Beneficiaries, a continuing security interest in and to all of the Collateral, whether now owned or existing or owned, acquired, or arising hereafter (the "***Collateral Trust Security Interest***"). The Collateral Trust hereby accepts and agrees to hold the Collateral Trust Security Interest for the benefit of the Beneficiaries, subject to the terms of the Plan, the Confirmation Order and this Collateral Trust Agreement.

1.2.2 "Collateral" means, collectively, all of the Reorganized Debtor's right, title and interest, whether now owned or existing or owned, acquired or arising hereafter, in and to the following (each as defined in Iowa Code 2014, Section 554.9102, *et seq.*): (a) Accounts; (b) Chattel Paper; (c) Instruments (including Promissory Notes); (d) Documents (including all contracts and agreements); (e) General Intangibles (including intellectual property rights owned

by the Reorganized Debtor); (f) Letter of Credit Rights; (g) Supporting Obligations; (h) Deposit Accounts; (i) Investment Property; (j) Inventory; (k) Equipment; (l) Fixtures; (m) Commercial Tort Claims; (n) Farm Products (including growing livestock); (o) Goods; and (p) Deposit Accounts, and all Proceeds and products of the foregoing. For the avoidance of doubt, Collateral shall include, *inter alia*, all personal property of the Debtor scheduled on Schedule B of the Debtor's Schedules of Assets and Liabilities, as amended, and filed with the Bankruptcy Court in the Debtor's chapter 11 case.

1.2.3 The Collateral Trust Security Interest shall be subordinate (a) to the security interest held by the New Senior Secured Facility; (b) to any purchase-money security interests in leased tangible personal property assets; and (c) to the extent provided in Section 1.4 below, to the security interests granted to any Future Lender for Future Financing in an amount not to exceed $40,000,000. Notwithstanding anything in this Collateral Trust Agreement to the contrary, the subordination provided herein shall apply only to the priority of the Collateral Trust Security Interest and shall not constitute a subordination of payment under the Collateral Trust Notes or the rights of the Collateral Trustee to undertake any Enforcement Action or otherwise undertake any rights and remedies available to the Collateral Trustee under this Collateral Trust Agreement, the Plan, or the Confirmation Order.

1.2.4 The Collateral Trust Security Interest granted under this Collateral Trust Agreement is valid, perfected, enforceable and effective as of the Effective Date without any further action by the Collateral Trustee and without the necessity of the execution, filing or recordation of any financing statements, security agreements or other documents. Notwithstanding the foregoing, the Collateral Trustee shall file or record such financing statements, trademark filings, notices of lien or similar instruments in such jurisdictions as would be necessary to perfect the Collateral Trust Security Interest in the absence of the Plan and Confirmation Order, and shall take any other action in order to validate and perfect the Collateral Trust Security Interest, all at the sole cost and expense of the Reorganized Debtor. The Reorganized Debtor shall reasonably cooperate with the Collateral Trustee in the preparation and filing of any such documents.

1.2.5 No creditor or any party-in-interest in the Debtor's chapter 11 case may contest the validity, priority or enforceability of or seek to avoid, have declared fraudulent or have put aside the Collateral Trust Security Interest, and each Party hereby agrees to cooperate in the defense of any action contesting the validity, perfection, priority or enforceability of the Collateral Trust Security Interest. Each Party shall also use its best efforts to notify the other parties of any change in the location of any of the Collateral (outside of the ordinary course of business) or the business operations of the Reorganized Debtor or of any change in law which would make it necessary or advisable to file additional financing statements in another location as against the Reorganized Debtor with respect to the Collateral Trust Security Interest, but the failure to do so shall not create a cause of action against the Party failing to give such notice or create any claim or right on behalf of any other Party to this Collateral Trust Agreement and any third party.

1.2.6 The Reorganized Debtor will from time to time prepare, or cause to be prepared, execute and deliver all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as the Collateral

Trustee may reasonably request to (i) maintain or preserve the Collateral Trust Security Interest (and the priority thereof) granted the Collateral Trustee under this Collateral Trust Agreement; (ii) preserve and defend title to the Collateral and the rights therein of the Collateral Trustee against all claims that are adverse to the Collateral Trustee; and (iii) maintain and preserve the Collateral, and not permit any waste, deterioration, or other similar type of loss with respect to the Collateral. In the event the Reorganized Debtor fails to perform any obligations under this section, the Collateral Trustee shall seek appropriate relief from the Bankruptcy Court or the United States District Court for the Southern District of Iowa, as appropriate.

1.3 Enforcement Actions

1.3.1 Upon the occurrence of a Default under Sections ____ or _____ of the Plan or the failure of the Reorganized Debtor to perform any of the Secured Obligations, the Collateral Trustee shall be permitted to commence legal proceedings in the Bankruptcy Court, or if the Bankruptcy Court does not have jurisdiction of such proceeding, the United States District Court for the Southern District of Iowa, to enforce either the Collateral Trust Note, or the Collateral Trust Security Interest (each, an "***Enforcement Action***"); provided, however, with respect to any such Default under subsection (__) of Sections ____ or _____, respectively, the Collateral Trustee shall not commence proceeding if such failure is remedied within the cure period, if any, provided for in the Plan or Collateral Trust Note; and further provided, however, that any Enforcement Action concerning Collateral may be brought in any court with jurisdiction over said Collateral. The Collateral Trustee shall be deemed to possess standing to file and prosecute Enforcement Actions.

1.3.2 The Reorganized Debtor shall promptly reimburse the Collateral Trustee for all reasonable costs and expenses incurred in connection with enforcement and collection of the Secured Obligations, including the fees, charges and disbursements of counsel, whether or not any Enforcement Action is commenced or concluded.

1.4 Future Subordination of Security Interest

1.4.1 In the event that the Reorganized Debtor determines, in its business judgment, that it requires, on a secured basis, (i) lease financing, or (ii) term or revolving credit (collectively, "***Future Financing***") during the duration of the Collateral Trust, the Collateral Trust shall agree to enter into a commercially reasonable intercreditor and subordination agreement, in such form and content as Future Lender (defined below) and Collateral Trustee mutually agree (the "***Subordination Agreement***"), which shall only provide for the subordination in priority of the Collateral Trust Security Interest to the security interests granted by the Reorganized Debtor to a secured lender or lessor (the "***Future Lender***"), provided, however, that without the Beneficiaries' written consent, such Subordination Agreement shall not provide for (a) any "standstill period" exceeding ninety (90) days, or any other condition or consent, prior to the Collateral Trustee commencing any Enforcement Action or otherwise exercising any remedies available to Collateral Trustee following a Default, or (b) subordination of any payments (other than following any realization upon the Collateral subject to such subordination) due and owing under the Plan, the Confirmation Order, the Collateral Trust Note, or this Collateral Trust Agreement; and provided, further, that absent written consent of the Collateral Trustee, which shall not be provided without the written consent of the Beneficiaries, such

subordination shall not be applicable with respect to any portion of the Future Financing that exceeds forty million dollars ($40,000,000).

ARTICLE II
APPOINTMENT OF THE COLLATERAL TRUSTEE

2.1 _____ is hereby appointed to serve as the initial Collateral Trustee and hereby accepts this appointment and agrees to serve in such capacity, effective upon the date of this Collateral Trust Agreement. Any successor Collateral Trustee shall be appointed as set forth in **Section 4.6** in the event any Collateral Trustee is removed or resigns pursuant to this Collateral Trust Agreement, or if such Collateral Trustee otherwise vacates the position.

ARTICLE III
DUTIES AND POWERS OF THE COLLATERAL TRUSTEE

3.1 Generally

The Collateral Trustee shall be responsible for administering the Collateral Trust and taking actions for the benefit of the Beneficiaries under this Collateral Trust Agreement. The Collateral Trustee shall have the authority to bind the Collateral Trust within the limitations set forth in this Collateral Trust Agreement, but shall for all purposes hereunder be acting in the capacity of Collateral Trustee and not individually.

3.2 Rights and Duties of Collateral Trustee. Pursuant to the Plan and the Confirmation Order, and subject to the terms and conditions of this Collateral Trust Agreement, the Collateral Trustee is authorized to take such actions on behalf of the Beneficiaries and under the provisions of the Collateral Trust Agreement and any other instruments, documents and agreements referred to herein and to exercise such powers under the Collateral Trust Agreement as are specifically delegated to the Collateral Trustee by the terms of the Collateral Trust Agreement. The Collateral Trustee's rights and duties under this Collateral Trust Agreement include the following:

3.2.1 The Collateral Trustee shall commence Enforcement Actions to enforce the Secured Obligations, and the Collateral Trust Security Interest in the event that the Reorganized Debtor defaults on any Secured Obligations, and such defaults are not timely and fully cured in accordance with the documents governing such Secured Obligations;

3.2.2 The Collateral Trustee shall monitor the Reorganized Debtor's distributions to Beneficiaries holding Allowed Class 10 Claims;

3.2.3 In reliance upon the Claims List prepared by the Debtor, the Collateral Trustee shall maintain on his books and records, a register evidencing the beneficial interest herein held by each Beneficiary;

3.2.4 The Collateral Trustee may open and maintain bank accounts on behalf of or in the name of the Collateral Trust to the extent deemed necessary;

3.2.5 The Collateral Trustee shall pay expenses and make disbursements necessary to preserve and protect the Collateral Trust, the Collateral Trust Note, and the Collateral Trust Security Interest;

3.2.6 The Collateral Trustee shall receive, hold, and disburse, pursuant to this Collateral Trust Agreement, the Capital Reserve (as defined in the Plan), and may request additional Capital Reserves from the Reorganized Debtor to the extent deemed necessary to discharge his duties under the Collateral Trust Agreement;

3.2.7 The Collateral Trustee may at any time request directions from the Beneficiaries as to any course of action or other matter relating to the performance of his duties under the Collateral Trust Agreement, and the Beneficiaries shall respond to such request in a reasonably prompt manner; and

3.2.8 The Collateral Trustee shall take any other action consistent with the Plan, the Confirmation Order and this Collateral Trust Agreement deemed necessary to preserve and protect the interests of Beneficiaries.

3.3 Fiduciary Obligations to the Collateral Trust

The Collateral Trustee's actions as Collateral Trustee will be held to the same standard as a trustee of a trust under Iowa law. His or her fiduciary obligations to the Collateral Trust and its Beneficiaries are the same fiduciary obligations that the trustee of a trust owes to that trust and its beneficiaries under Iowa law.

3.4 General Authority of the Collateral Trustee

Unless specifically stated otherwise herein, the Collateral Trustee shall not be required to obtain Bankruptcy Court approval with respect to any proposed action or inaction authorized in this Collateral Trust Agreement or specifically contemplated in the Plan and the Confirmation Order.

3.5 Limitation of Collateral Trustee's Authority

The Collateral Trustee shall have no power or authority except as set forth in this Collateral Trust Agreement, the Plan, the Confirmation Order, and the Collateral Trust Note. The Collateral Trustee shall have no authority or duty to operate or influence the Reorganized Debtor's business operations, except in the exercise of remedies under the Collateral Trust Security Interest or the Collateral Trust Note.

3.6 Other Activities of the Collateral Trustee

The Collateral Trustee shall be entitled to be employed by third parties while serving as Collateral Trustee for the Collateral Trust; provided, however, that such employment shall not include actions or representations of parties that are adverse to the Collateral Trust; and provided, further, that the Collateral Trustee shall not enter into any employment by third parties

that could reasonably be expected to result in a conflict of interest with the duties and obligations of the Collateral Trustee under this Collateral Trust Agreement.

3.7 Investment and Safekeeping of Distributions

All monies and other assets received by the Collateral Trust, or the Collateral Trustee in its capacity as trustee hereunder, shall be held in trust for the benefit of the Beneficiaries until distributed or paid over as provided in this Agreement. Investment of any monies held by the Collateral Trust shall be administered in accordance with the Collateral Trustee's general duties and obligations hereunder and in view of the Collateral Trustee's general fiduciary duties under Iowa law. The rights and powers of the Collateral Trustee to invest funds received by the Reorganized Debtor, the proceeds thereof or any income earned by the Collateral Trust, shall be limited to the right and power to: (a) invest such funds in (i) short-term direct obligations of, or obligations guaranteed by, the United States of America or (ii) short-term obligations of any agency or corporation which is or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof; or (b) deposit such assets in demand accounts at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least $1,000,000,000 (collectively, the "***Permissible Investments***"); provided, however, that the scope of any such Permissible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treas. Reg. § 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the Internal Revenue Service ("***IRS***") guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise.

3.8 Authorization to Expend Collateral Trust Funds

The Collateral Trustee may expend the Capital Reserve but not any assets of the Trust, to the extent necessary to: (a) satisfy and discharge liabilities incurred by the Collateral Trust; and (b) pay Collateral Trust Expenses (including, but not limited to, any taxes imposed on the Collateral Trust, and fees and expenses in connection with litigation or compensation of the Collateral Trustee in accordance with **Section 4.1** below). If the Capital Reserve is insufficient to fully satisfy and discharge the foregoing liabilities, the Collateral Trustee shall advise the Reorganized Debtor, which shall replenish the Capital Reserve.

ARTICLE IV
COLLATERAL TRUSTEE

4.1 Compensation of the Collateral Trustee

The Collateral Trustee shall be entitled to receive, but is not required to accept, reasonable compensation for services rendered on behalf of the Collateral Trust. All compensation and other amounts payable to the Collateral Trustee shall be paid by the Reorganized Debtor upon submission of an invoice from the Collateral Trustee (which shall be first satisfied out of any Capital Reserves held by the Collateral Trustee); provided, however, that any disputes related to any such invoices that cannot be resolved by the Reorganized Debtor and the Collateral Trustee may be submitted by motion to the Bankruptcy Court for resolution. The Reorganized Debtor shall reimburse the Collateral Trustee for his actual reasonable out-of-

pocket expenses incurred including, without limitation, postage, telephone and facsimile charges upon receipt of periodic billings; provided, however, that the Collateral Trustee shall first look to the Capital Reserve for such reimbursement. All reimbursement for expenses payable to the Collateral Trustee shall be paid by the Reorganized Debtor in priority over any distributions to Beneficiaries to be made under the Plan; provided, however, that a Beneficiary shall be entitled to challenge the reasonableness of the amount of any reimbursement that reduces any distributions that would otherwise be payable to the Beneficiaries. If the Collateral Trustee dies or becomes disabled, then such former Collateral Trustee (or his or her estate, successor or assigns) shall be entitled, subject to the limitations set forth in this Collateral Trust Agreement, to any remaining unpaid compensation and reimbursement due hereunder.

4.2 Term of Service

The Collateral Trustee shall serve until the earliest of: (a) the completion of all the Collateral Trustee's duties, responsibilities and obligations under this Collateral Trust Agreement and the Plan; (b) termination of the Collateral Trust in accordance with this Collateral Trust Agreement; and (c) the Collateral Trustee's death, resignation or removal.

4.3 No Bond

The Collateral Trustee shall serve without bond.

4.4 Removal

The Beneficiaries may remove the Collateral Trustee and appoint a successor trustee for cause in accordance with this Section 4.4. "Cause" may include, without limitation: (a) the undue prolongation of the duration of the Collateral Trust; (b) negligence, fraud or willful misconduct in connection with the affairs of the Collateral Trust, including the enforcement of the Collateral Trust Security Interest, or Collateral Trust Note; (c) a physical and/or mental disability that substantially prevents the Collateral Trustee from performing the duties of a Collateral Trustee hereunder; (d) a breach of any obligations of the Collateral Trustee under this Collateral Trust Agreement, or (e) breach of fiduciary duty or an unresolved conflict of interest. The Beneficiaries shall not be permitted to remove the Collateral Trustee and appoint a successor trustee before giving the Reorganized Debtor seven (7) days' notice of their intent to remove the Collateral Trustee and to appoint a successor trustee. If the Reorganized Debtor objects, in writing, the Parties shall work together in good faith to reach agreement on the removal of the Collateral Trustee or the appointment of a successor trustee. If, within seven (7) days of receipt of such notice from the Reorganized Debtor, the Parties have not reached agreement on either the removal of the Collateral Trustee or to the appointment of a successor trustee, the Beneficiaries may file a motion with the Bankruptcy Court (the "***Removal/Appointment Motion***") seeking the removal of the Collateral Trustee and the appointment of a successor trustee. If the Beneficiaries prevail on the Removal/Appointment Motion, the Reorganized Debtor shall be liable for all attorneys' fees and costs incurred by the Beneficiaries in relation to the Removal/Appointment Motion. The Beneficiaries shall be deemed to have prevailed on the Removal/Appointment Motion if the Bankruptcy Court either (i) grants their request, over the objection of the Reorganized Debtor, to have the Collateral Trustee removed, or (ii) grants their request, over the

objection of the Reorganized Debtor, to have a designated individual appointed as successor trustee.

4.5 Resignation

The Collateral Trustee may resign by giving not less than thirty (30) days' prior written notice thereof to the parties entitled to notice under **Section 11.6** hereof. The resignation will be effective on the later of: (a) the date specified in the notice; (b) the date that is thirty (30) days after the date the notice is delivered; and (c) the date the successor Collateral Trustee accepts his or her appointment as such under **Section 4.6**.

4.6 Appointment of Successor Collateral Trustee

4.6.1 In the event the Collateral Trustee resigns, dies or vacates the position due to incapacity a successor Collateral Trustee shall, within thirty (30) days of the Collateral Trustee's resignation, death or vacation of the position, be selected by agreement between the Beneficiaries and the Reorganized Debtor. If no agreement can be reached, a successor Collateral Trustee shall be designated by the Bankruptcy Court. Any successor Collateral Trustee designated hereunder shall execute an instrument accepting such appointment and shall deliver such acceptance to the Reorganized Debtor. Thereupon, such successor Collateral Trustee shall, without any further act, become vested with all of the properties, rights, powers, trusts and duties of his or her predecessor in the Collateral Trust with like effect as if originally named herein; provided, however, that the resigning Collateral Trustee shall, nevertheless, when requested in writing by the successor Collateral Trustee, execute and deliver any reasonable instrument or instruments conveying and transferring to such successor Collateral Trustee all the estates, properties, rights, powers and trusts of the removed or resigning Collateral Trustee.

4.7 Collateral Trust Continuance

The resignation or removal of the Collateral Trustee will not terminate the Collateral Trust or revoke any existing agency created pursuant to this Collateral Trust Agreement or invalidate any action theretofore taken by the Collateral Trustee.

ARTICLE V
COLLATERAL TRUST BENEFICIARIES

5.1 Identification of Beneficiaries

The beneficial interests of each Beneficiary in the Collateral Trust shall be recorded and set forth in the Claims List maintained by the Debtor (and subsequently, the Reorganized Debtor). The Reorganized Debtor shall promptly notify the Collateral Trustee of any revisions, additions or deletions to the Claims List.

5.2 Beneficial Interest Only

The ownership of a beneficial interest in the Collateral Trust shall not entitle any Beneficiary to any title in or to the assets held by the Collateral Trust or to any right to call for a

partition or division of such assets or to require an accounting, except as specifically provided herein.

5.3 Ownership of Beneficial Interests Hereunder

Each Beneficiary shall own a beneficial interest in the Collateral Trust assets equal in proportion to the Pro Rata share of such Beneficiary's Allowed Claim in accordance with the Plan.

5.4 Evidence of Beneficial Interest

Ownership of a beneficial interest in the Collateral Trust assets shall not be evidenced by any certificate, security or receipt or in any other form or manner whatsoever, except as maintained on the Claims List.

5.5 Limitation on Transferability

It is understood and agreed that the Beneficiaries may assign, in whole or in part, their beneficial interests in the Collateral Trust during the term of this Collateral Trust Agreement. Any such assignment shall not be effective until appropriate notification and proof thereof is submitted to the Collateral Trustee and the Reorganized Debtor. The Collateral Trustee may rely upon such proof without the requirement of any further investigation. Any notice of a change of beneficial interest ownership shall be forwarded to the Collateral Trustee and the Reorganized Debtor by registered or certified mail pursuant to the notice provisions set forth in **Section 11.6** hereof. The notice shall be executed by both the transferee and the transferor, and the signatures of the parties shall be acknowledged as required by Bankruptcy Rule 3001(e). The notice must clearly describe the interest to be transferred. The Collateral Trustee and the Reorganized Debtor may conclusively rely upon such signatures and acknowledgments as evidence of such transfer without the requirement of any further investigation.

5.6 Conflicting Claims

If any conflicting claims or demands are made or asserted with respect to the Collateral Trust assets, or if there is any disagreement between the assignees, transferees, heirs, representatives or legatees succeeding to all or a part of the Collateral Trust assets resulting in adverse claims or demands being made in connection with such assets, then, in any of such events, the Reorganized Debtor and the Collateral Trustee shall be entitled to refuse to comply with any such conflicting claims or demands. The Reorganized Debtor and the Collateral Trustee shall be entitled to refuse to act until either: (a) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court; or (b) all differences have been resolved by a valid written agreement among all of such parties, the Reorganized Debtor and the Collateral Trustee; provided, however, if the act includes the obligation to remit funds or make disbursements, the Reorganized Debtor or Collateral Trustee, as applicable, shall remit all such funds and disbursements to an escrow account for disbursement to the Beneficiaries, as applicable, upon resolution of such differences and upon such resolution, the Reorganized Debtor or Collateral Trustee, as applicable, shall promptly provide instruction to disburse such funds in accordance with such resolution.

ARTICLE VI
PROVISIONS REGARDING DISTRIBUTIONS

6.1 Timing and Methods of Distributions

6.1.1 Generally. The Reorganized Debtor shall be primarily responsible for making distributions to Beneficiaries under the Plan and Confirmation Order; provided, however, if requested by the Debtor or Reorganized Debtor, or in the event that the Collateral Trustee receives proceeds from an Enforcement Action, the Collateral Trustee, on behalf of the Collateral Trust, or such other entity as may be designated by the Collateral Trustee, on behalf of the Collateral Trust, will make distributions to the Beneficiaries as set forth in, and as required by, this Collateral Trust Agreement, the Plan and the Confirmation Order. Unless the entity or Person receiving a payment agrees otherwise, the Collateral Trustee, in his sole discretion, will make any payment to be made by the Collateral Trust in Cash by check drawn on a domestic bank or by wire transfer from a domestic bank.

6.1.2 Allocation and Priority of Distributions. The Collateral Trustee shall distribute cash in his possession to the Beneficiaries on a Pro Rata basis consistent with the Plan and Confirmation Order. The Collateral Trustee may withhold from amounts distributable to any entity any and all amounts, determined in the Collateral Trustee's reasonable discretion, to be required by any law, regulation, rule, ruling, directive or other government equivalent of the United States or of any political subdivision thereof, or to otherwise facilitate the administration of the Collateral Trust.

6.1.3 Claims List. Not more than ten (10) days prior to the Effective Date, the Debtor shall deliver to the Collateral Trustee a list of all filed and scheduled Claims in Class 10 under the Plan, the designation and amount of each such Claim as disputed or not disputed, fixed or contingent and liquidated or unliquidated, and, to the extent ascertainable from the Debtor's books and records, and where available the Employer or Taxpayer Identification Number as assigned by the IRS for each Holder (the "***Claims List***"). The Collateral Trustee will utilize the Claims List in monitoring the Reorganized Debtor's disbursements under the Plan, or in the event that (i) the Reorganized Debtor requests that the Collateral Trustee be responsible for making Plan distributions; or (ii) the Collateral Trustee receives proceeds from an Enforcement Action, calculating and making distributions from the Collateral Trust as provided herein; provided, however, that the Claims List shall be adjusted from time to time by the Reorganized Debtor as necessary to maintain its accuracy. The Reorganized Debtor shall also revise the Claims List from time to time upon receipt of notice from a Beneficiary notifying the Reorganized Debtor of a change of address or stating that its Claim has been transferred to a new Beneficiary, that the new Beneficiary has complied with any applicable provisions of Bankruptcy Rule 3001(e) (and providing evidence thereof) and setting forth the name and address of such new Beneficiary. The Reorganized Debtor shall provide updated Claims Lists to the Collateral Trustee contemporaneously with the making of a distribution required under the Plan.

6.2 Delivery of Distributions

Subject to the provisions of Bankruptcy Rule 2002(g), and except as otherwise provided herein, distributions and deliveries to Beneficiaries by the Collateral Trustee, to the extent made, shall be made at the address of each such holder set forth on the Claims List.

6.3 No Post-Petition Interest on Claims

Except as expressly provided in the Plan, the Confirmation Order or any contract, instrument, release, settlement or other agreement entered into in connection with the Plan, or as required by applicable bankruptcy law, post-petition interest will not accrue on account of any Claim, and the Collateral Trustee will not distribute post-petition interest on account of any Claim, except where provided in the Plan and the Confirmation Order.

6.4 Undeliverable Distributions

If any distribution with respect to a Beneficiary is returned to the Collateral Trustee as undeliverable, no further distributions shall be made to such Holder, unless the Collateral Trustee or the Reorganized Debtor is notified in writing of the Beneficiary's current address. Upon receipt of the notification, the Collateral Trustee (if he has made distributions under the Plan) will remit all missed distributions to the Beneficiary without interest. All claims for undeliverable distributions to Holders of Allowed Class 10 Claims must be made within ninety (90) days of the final distribution made to Class 10 Creditors under the Plan. If a claim is not made within that time, all unclaimed distributions will revert to the Collateral Trust and be distributed Pro Rata to the remaining Beneficiaries of the Collateral Trust according to the priorities set forth in this Collateral Trust Agreement, or if such Beneficiaries have been paid in full, to the Reorganized Debtor. Nothing contained in the Plan, the Confirmation Order or this Collateral Trust Agreement shall require the Collateral Trustee or the Reorganized Debtor to attempt to locate any Beneficiary.

6.5 Lapsed Distributions

Any distribution that has not cleared within ninety (90) days of the date of the distribution will lapse. With respect to any lapsed distributions, the lapsed distribution will revert to the Collateral Trust and be distributed to the remaining Beneficiaries of the Collateral Trust according to the priorities set forth in this Collateral Trust Agreement, or if Beneficiaries have been paid in full, to the Reorganized Debtor.

ARTICLE VII
LIABILITY AND EXCULPATION PROVISIONS

7.1 Standard of Liability

In no event shall the Collateral Trustee or the Collateral Trust, or their respective Professionals or representatives, be held personally liable for any claim asserted against the Collateral Trust or the Collateral Trustee, or any of their Professionals or representatives. Specifically, the Collateral Trustee, the Collateral Trust and their respective Professionals or representatives shall not be liable for any negligence or any error of judgment made in good faith

with respect to any action taken or omitted to be taken in good faith. Notwithstanding the foregoing, the Collateral Trust or the Collateral Trustee, or any of their Professionals or representatives, may be held personally liable to the extent that the action taken or omitted to be taken by each of the same or their respective Professionals or representatives is determined by a Final Order to be solely due to their own respective gross negligence, willful misconduct, fraud or, solely in the case of the Collateral Trustee, breach of fiduciary duty other than negligence. Any act or omission taken with the approval of the Bankruptcy Court will be conclusively deemed not to constitute gross negligence, willful misconduct, fraud or a breach of fiduciary duty.

7.2 Reliance by Collateral Trustee

7.2.1 The Collateral Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, installment, opinion, report, notice, request, consent, order or other paper or document reasonably believed by him or her to be genuine and to have been signed or presented by the proper party or parties except as otherwise provided in the Plan or the Confirmation Order; and

7.2.2 The Collateral Trustee shall not be liable for any action reasonably taken or not taken by him or her in accordance with the advice of a Professional retained pursuant to **Article IX**, and persons dealing with the Collateral Trustee shall look only to the Reorganized Debtor assets to satisfy any liability incurred by the Collateral Trustee to such person in carrying out the terms of this Collateral Trust Agreement, and the Collateral Trustee shall have no personal obligation to satisfy any such liability, except to the extent that actions taken or not taken by the Collateral Trustee are determined by a Final Order to be solely due to the Collateral Trustee's own gross negligence, willful misconduct, fraud or breach of fiduciary duty, other than negligence.

7.3 Exculpation

7.3.1 From and after the Effective Date, the Collateral Trustee and his Professionals and representatives shall be and hereby are exculpated by all Persons, including, without limitation, the Reorganized Debtor, Beneficiaries and other parties in interest, from any and all claims, causes of action and other assertions of liability arising out of any act undertaken by the Collateral Trustee in accordance with the express provisions of the Collateral Trust Agreement, the Plan, the Confirmation Order or any order of the Bankruptcy Court or applicable law, except only for actions taken or not taken due to their own respective gross negligence, willful misconduct, fraud or, solely in the case of the Collateral Trustee, breach of fiduciary duty, other than negligence.

7.3.2 No Beneficiary or other party-in-interest will be permitted to pursue any claim or cause of action against the Collateral Trustee or his Professionals or representatives for making payments in accordance with the Plan or the Confirmation Order or for taking any action expressly or implicitly authorized under the Collateral Trust Agreement, the Plan or the Confirmation Order. Any act taken or not taken by the Collateral Trustee with the approval of the Bankruptcy Court will be conclusively deemed not to constitute gross negligence, willful

misconduct or fraud or, solely in the case of the Collateral Trustee, a breach of fiduciary duty, other than negligence.

7.4 Indemnification

The Reorganized Debtor shall indemnify, defend and hold harmless the Collateral Trustee and his respective Professionals and representatives from and against any and all claims, causes of action, liabilities, obligations, losses, damages or expenses (including reasonable attorneys' fees and expenses) occurring after the Effective Date, other than to the extent determined by a Final Order to be solely due to their own respective gross negligence, willful misconduct or fraud or, solely in the case of the Collateral Trustee, breach of fiduciary duty, other than negligence, to the fullest extent permitted by applicable law.

ARTICLE VIII
ADMINISTRATION

8.1 Purpose of the Collateral Trust

The Collateral Trust shall be established for the primary purpose of liquidating its assets, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Collateral Trust.

8.2 Books and Records

The Collateral Trustee shall maintain, with respect to the Collateral Trust and the Beneficiaries, books and records relating to the assets and income of the Collateral Trust and the payment of expenses of and liabilities of, claims against or assumed by, the Collateral Trust as required to make full and proper accounting in respect thereof to comply with applicable provisions of law. Except as otherwise provided herein, in the Plan, or in the Confirmation Order, nothing in this Collateral Trust Agreement requires the Collateral Trust to file any accounting or seek approval of any court with respect to the administration of the Collateral Trust, or as a condition for making any payment or distribution out of the Collateral Trust assets. The Beneficiaries shall have the right, in addition to any other rights they may have pursuant to this Collateral Trust Agreement, under the Plan and the Confirmation Order, or otherwise, upon three (3) days' prior written notice delivered to the Collateral Trustee, to inspect such books and records; provided, however, that, such Beneficiary shall bear all costs and expenses of such inspection.

8.3 Compliance with Laws

Any and all distributions of Collateral Trust Assets shall comply with all applicable laws and regulations, including, but not limited to, applicable federal and state tax and securities laws.

ARTICLE IX
PROFESSIONALS

9.1 Retention of Professionals

The Collateral Trustee, upon the later to occur of the Effective Date and acceptance by the Collateral Trustee of his appointment in accordance with the Plan and this Collateral Trust Agreement, shall have the right to retain his own professionals without any further approval by any court or otherwise including, without limitation, legal counsel, accountants, experts, advisors, consultants, disbursement agents and other professionals as the Collateral Trustee deems appropriate (collectively, the "***Professionals***"). Such Professionals shall be compensated in accordance with **Section 9.3** hereof.

9.2 Retention of Collateral Trustee's Legal Counsel

The initial Collateral Trustee has chosen to retain _____ as his counsel. Such retention is made pursuant to this **Article IX** without any further approval by any court. _____ is a Professional as that term is used herein, and shall be compensated in accordance with **Section 9.3** hereof.

9.3 Compensation of Professionals

Each Professional shall submit monthly invoices to the Collateral Trustee for its fees and expenses incurred in connection with services requested by, and provided to, the Collateral Trustee. So long as the Collateral Trustee does not object to such invoices within fourteen (14) days of the receipt of a monthly invoice, he shall satisfy such invoices from the Capital Reserve, or if the Capital Reserve is insufficient to satisfy such invoice, request from the Reorganized Debtor additional Capital Reserve funds, or a distribution of funds in an amount sufficient to fully satisfy such invoices. The Collateral Trustee may pay the reasonable fees and expenses of such Professionals as an expense of the Collateral Trust without application to the Bankruptcy Court. Any disputes related to the reasonableness or necessity of the fee request of a Professional that cannot be resolved by the Collateral Trustee and the subject Professional may, by motion, be resolved by the Bankruptcy Court.

ARTICLE X
TERMINATION OF THE COLLATERAL TRUST

10.1 Duration and Extension

The Collateral Trust will terminate no later than the earlier to occur of (a) a Termination Event, or (b) the seventh (7th) anniversary of the Effective Date; provided, however, that so long as no Termination Event has occurred and is continuing, on or prior to the date six (6) months prior to the seventh (7th) anniversary of the Effective Date, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Collateral Trust for a finite period if it is necessary to the purpose thereof; and, provided, further, that multiple extensions may be obtained so long as (a) no Termination Event has occurred and is continuing and (b) Bankruptcy Court approval is obtained at least six (6) months prior to the expiration of such extended term.

"***Termination Event***" means the failure of the Reorganized Debtor to satisfy any reimbursement obligations owed under this Agreement, replenish the Capital Reserve in accordance with this Agreement, or to satisfy any indemnification obligations arising under Section 7.4 of this Agreement, and such failure continues for a period of thirty (30) days after written notice thereof is delivered to the Reorganized Debtor. If this Agreement is terminated in accordance with this Section 10.1 prior to payment in full of the Collateral Trust Note, the Collateral Trustee shall take such action as is reasonably necessary to (a) assign the Collateral Trust Note to the Holders of Allowed Class 10 Claims, and (b) assign all of the Collateral Trustee's interest in the Collateral as directed by the Beneficiaries.

10.2 Termination Upon Distribution to Beneficiaries

The Collateral Trust will terminate and the Collateral Trustee will have no additional responsibility in connection therewith except as may be required to effectuate such termination under the Plan and applicable non-bankruptcy law, upon the latest of: (a) the payment of all costs, expenses and obligations incurred in connection with administering the Collateral Trust; (b) the distribution of all amounts due the Beneficiaries pursuant to the Plan; and (c) the completion of any necessary or appropriate reports, tax returns or other documentation determined by the Collateral Trustee, in his reasonable discretion, to be necessary, appropriate or desirable, in each case pursuant to and in accordance with the Plan, the Confirmation Order and this Collateral Trust Agreement.

10.3 Other Termination Procedures

Upon termination of this Collateral Trust, the Collateral Trustee will file a written notice with the Bankruptcy Court disclosing the Collateral Trust's termination. Notwithstanding the foregoing, after the termination of the Collateral Trust, the Collateral Trustee will have the power to exercise all the rights, powers and privileges herein conferred solely for the purpose of liquidating and winding up the affairs of the Collateral Trust. Except as otherwise specifically provided herein, after termination of this Collateral Trust Agreement, the Collateral Trustee shall have no further duties or obligations hereunder.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Cooperation

Pursuant to the Plan and Confirmation Order, the Debtor and the Reorganized Debtor will provide the Collateral Trustee with access to or copies of such of the Debtor's or Reorganized Debtor's books and records as the Collateral Trustee shall reasonably require for the purpose of performing his duties and exercising his powers under this Collateral Trust Agreement, the Plan or the Confirmation Order. All third parties in possession of the Debtor's or Reorganized Debtor's books and records shall provide the Collateral Trustee with similar cooperation, and the Collateral Trustee shall have the right to seek appropriate relief from the Bankruptcy Court or any other court with jurisdiction over the matter to the extent that a third party unreasonably refuses to cooperate with the Collateral Trustee's requests.

11.2 Implied Authority of the Collateral Trustee

No person dealing with the Collateral Trust shall be obligated to inquire into the authority of the Collateral Trustee in connection with the rights and duties of the Collateral Trustee set forth in this Collateral Trust Agreement.

11.3 Confidentiality

The Collateral Trustee and his Professionals (each a "***Confidential Party***" and collectively the "***Confidential Parties***") shall hold strictly confidential and not use for personal gain any material, non-public information of which they have become aware in their capacity as a Confidential Party, of or pertaining to any entity to which any of the Collateral Trust assets relate; provided, however, that such information may be disclosed if: (a) it is now or in the future becomes generally available to the public other than as a result of a disclosure by the Confidential Parties; (b) was available to the Confidential Parties on a non-confidential basis prior to its disclosure to the Confidential Parties pursuant to this Collateral Trust Agreement; (c) becomes available to the Confidential Parties on a non-confidential basis from a source other than their work in connection with the Debtor or the Collateral Trust, provided that the source is not also bound by a confidentiality agreement with the Debtor or the Collateral Trust; or (d) such disclosure is required of the Confidential Parties pursuant to legal process including but not limited to subpoena or other court order or other applicable laws or regulations. In the event that any Confidential Party is requested to divulge confidential information pursuant to subparagraph (d), such Confidential Party shall promptly, in advance of making such disclosure, provide reasonable notice of such required disclosure to the Collateral Trustee to allow the Collateral Trustee sufficient time to object to or prevent such disclosure through judicial or other means and shall cooperate reasonably with the Collateral Trustee in making any such objection, including, but not limited to, appearing in any judicial or administrative proceeding in support of the Collateral Trustee's objection to such disclosure.

11.4 Governing Law; Submission to Jurisdiction; Service of Process

This Collateral Trust Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without giving effect to rules governing the conflict of law. The Bankruptcy Court will have primary jurisdiction over any dispute arising out of or in connection with the transactions contemplated by this Collateral Trust Agreement. The parties to this Collateral Trust Agreement consent to the jurisdiction of the Bankruptcy Court (and of the appropriate appellate courts therefrom) and irrevocably waive, to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of the venue of any such dispute in the Bankruptcy Court or that any such dispute brought in the Bankruptcy Court has been brought in an inconvenient forum. This Collateral Trust Agreement is subject to any order or act of the Bankruptcy Court applicable hereto. Process may be served on any party anywhere in the world, whether within or outside of the jurisdiction of the Bankruptcy Court. Without limiting the foregoing, each party to this Collateral Trust Agreement agrees that service of process on that party may be made upon the designated Person or entity at the address provided in **Section 11.6** hereof and will be deemed to be effective service of process on that party.

11.5 Severability

If any provision of this Collateral Trust Agreement or the application thereof to any Person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Collateral Trust Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

11.6 Notices

Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if delivered via personal delivery, first-class mail (unless registered or certified mail is required), facsimile or electronic mail to the addresses as set forth below, or such other addresses as may be filed with the Bankruptcy Court:

Collateral Trustee:

XXX

with a copy to each Beneficiary at the name and address set forth on the Claims List.

Debtor/Reorganized Debtor:

Jim Mahoney
Fansteel, Inc.
1746 Commerce Road
Creston, IA 50801
Telephone:
Facsimile:
E-mail: jim.mahoney@fansteel.com

with a copy to:

Jeffrey D. Goetz, Esq.
Bradshaw, Fowler, Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, Iowa 50309
Telephone: 515-246-5817
Facsimile: 515-246-5808
E-mail: goetz.jeffrey@bradshawlaw.com

11.7 Headings

The Article and Section headings contained in the Collateral Trust Agreement are solely for the convenience of reference and shall not affect the meaning or interpretation of this Collateral Trust Agreement or of any term or provision hereof.

11.8 Counterparts and Facsimile Signatures

This Collateral Trust Agreement may be executed in counterparts and a facsimile or other electronic form of signature shall be of the same force and effect as an original.

11.9 Amendment or Waiver

Any substantive provision of this Collateral Trust Agreement may be materially amended or waived by the Collateral Trustee, with the consent of the Reorganized Debtor and with the approval of the Bankruptcy Court upon notice and an opportunity for a hearing. Technical or non-material amendments to or waivers of portions of this Collateral Trust Agreement may be made by the Collateral Trustee without the approval of the Bankruptcy Court, as necessary, to clarify this Collateral Trust Agreement or to enable the Collateral Trust to effectuate the terms of this Collateral Trust Agreement.

11.10 Actions by the Beneficiaries. Each Beneficiary shall appoint in writing an authorized representative (each an "***Authorized Representative***") and shall take such action as may be necessary to confer upon the Authorized Representative for such Beneficiary the authority to act on behalf of such Beneficiary in connection with any consent, direction, or other action to be taken or given by such Beneficiary under this Collateral Trust Agreement. Any provision of this Agreement requiring the consent, direction, or other action of the Beneficiaries shall require the approval of the Authorized Representative of each Beneficiary. Each Beneficiary hereby authorizes the Collateral Trustee to honor any consent, direction or action given or taken by the Authorized Beneficiary for and on behalf of such Beneficiary as the consent, direction or action of such Beneficiary.

11.11 Intervention

On the Effective Date, and without requirement of obtaining any order of the Bankruptcy Court, the Collateral Trustee shall be deemed to have intervened or substituted as plaintiff, moving, defendant or additional party, as appropriate, in any adversary proceeding, contested matter, Contested Claim or other motion that was filed prior to the Effective Date, where the subject matter of such action impacts the Collateral Trust or the assets held by the Collateral Trust.

IN WITNESS WHEREOF, the Parties hereto have either executed and acknowledged this Collateral Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

FANSTEEL, INC., et al

By:_____

Its:_____

COLLATERAL TRUSTEE

By:_____
_____, not individually, but solely as trustee of the Collateral Trust

Liquidation Analysis

CONSOLIDATED (ALL UNITS)

(CONSOLIDATED) Wellman Dynamics Corp/Wellman Dynamics Machining & Assembly/Fansteel

Proceeds from Liquidation Analysis

($ AS STATED)	Book Value	Orderly Liquidaton	Payment Liquidation	Payment Under Plan
Assets: (a)				
Cash and Cash Equivalents	2,083,503	2,083,503	-	-
Accounts Receivable	10,091,705	9,082,535	-	-
Inventory Raw Materials	1,537,486	983,991	-	-
Inventory WIP	17,036,921	10,903,629	-	-
Inventory Finished Goods	1,675,182	1,072,116	-	-
Inventory Total	20,249,589	12,959,737	-	-
Other Receivables	-	-	-	-
Prepaids (AST Sale Proceeds)	5,100,000	4,080,000	-	-
Intangible Assets	-	-	-	-
Other Noncurrent Assets	-	-	-	-
Real Estate Land	835,919	788,735	-	-
Real Estate Building	3,766,859	3,373,043	-	-
Machinery & Equipment	7,748,271	7,020,261	-	-
Personal Property or (depreciation)	(5,199,276)	(5,199,276)	-	-
Personal Property Total	7,151,773	5,982,763	-	-
Total Proceeds Available for Distribution	44,676,570	34,188,537	-	-
Administrative Claims:	-	-	-	-
Trustee Fees	957,279	957,279	957,279	-
Trustee's Counsel	717,959	717,959	717,959	-
Wind-Down Cost	341,885	341,885	341,885	-
Contingency	341,885	341,885	341,885	-
	-	-	-	-
Total Liquidation Expenses	2,359,009	2,359,009	2,359,009	-
	-	-	-	-
Net Proceeds Available to Creditors	**42,317,561**	**31,829,528**	**31,829,528**	**-**
	-	-	-	-
Allocations of Proceeds	-	-	-	-
Secured Claims:	-	-	-	-
TCTM	30,503,433	30,503,433	30,503,433	30,503,433
Other secured claims	13,442,623	1,326,095	1,326,095	13,442,623
Total Secured Claims	**43,946,056**	**31,829,528**	**31,829,528**	**43,946,056**
	-	-	72%	100%
Net Proceeds Available for Priority and Unsecured	**(1,628,495)**	**-**	**-**	**12,918,910**
Total Priority Claims	1,785,544	-	-	1,785,544
	-	-	-	100%
Net Proceeds Available for Unsecured Claims	**(3,414,039)**	**-**	**-**	**11,133,366**
Total Unsecured Claims	11,330,102	-	-	11,133,366
Recovery %			**0%**	**98%**

Assumes:

(a) Assets use actual values as of October 31, 2016 and last appraisals or book value

NRC/FMRI Environmental paid through until remediated

Secured debt balance carry forward in order of Fansteel, WDMA, WDC

EXHIBIT G

WELLMAN DYNAMICS (WDC)

Proceeds from Liquidation Analysis

($ AS STATED)	Book Value	Orderly Liquidaton	Payment Liquidation	Payment Under Plan
Assets: (a)				
Cash and Cash Equivalents	2,075,902	2,075,902		
Accounts Receivable	7,343,323	6,608,991		
Inventory Raw Materials	576,224	368,783		
Inventory WIP	12,091,683	7,738,677		
Inventory Finished Goods	352,452	225,569		
Inventory Total	13,020,359	8,333,030		
Other Receivables	-	-		
Prepaids (AST Sale Proceeds)	-	-		
Intangible Assets	-	-		
Other Noncurrent Assets	-	-		
Real Estate Land	235,919	188,735		
Real Estate Building	1,969,081	1,575,265		
Machinery & Equipment	2,388,600	1,910,880		
Personal Property or (depreciation)		-		
Personal Property Total	4,593,600	3,674,880		
Total Proceeds Available for Distribution	27,033,184	20,692,802		
Administrative Claims:				
Trustee Fees	579,398	579,398	579,398	
Trustee's Counsel	434,549	434,549	434,549	
Wind-Down Cost	206,928	206,928	206,928	
Contingency	206,928	206,928	206,928	
Total Liquidation Expenses	1,427,803	1,427,803	1,427,803	
Net Proceeds Available to Creditors	**25,605,381**	**19,264,999**	**19,264,999**	
Allocations of Proceeds				
Secured Claims:				
TCTM	17,938,904	17,938,904	17,938,904	17,938,904
Other secured claims	13,381,734	1,326,095	1,326,095	13,381,734
Total Secured Claims	**31,320,638**	**19,264,999**	**19,264,999**	**31,320,638**
			62%	100%
Available for Priority and Unsecured Claims	**(5,715,257)**	**-**	**-**	**8,276,923**
Total Priority Claims	1,574,523			1,574,523
			0%	100%
Net Proceeds Available for Unsecured Claims	**(7,289,781)**	**-**		**6,702,400**
Total Unsecured Claims	6,803,720			6,702,400
Recovery %			**0%**	**99%**

Assumes:

(a) Assets use actual values as of October 31, 2016 and last appraisals* or book value

NRC/FMRI Environmental paid through until remediated

Secured debt balance carry forward in order of Fansteel, WDMA, WDC

Liquidation Analysis

FANSTEEL, INC

FANSTEEL & INTERCAST (& AST NET SALE VALUE)

Proceeds from Liquidation Analysis

($ AS STATED)	Book Value	Orderly Liquidaton	Payment Liquidation	Payment Under Plan
Assets: (a)				
Cash and Cash Equivalents	28,775	28,775		
Accounts Receivable	985,708	887,137		
Inventory Raw Materials	291,719	186,700		
Inventory WIP	380,119	243,276		
Inventory Finished Goods	673,930	431,315		
Inventory Total	1,345,768	861,292		
Other Receivables	-	-		
Prepaids (AST Sale Proceeds)	5,100,000	4,080,000		
Intangible Assets	-	-		
Other Noncurrent Assets	-	-		
Real Estate Land	600,000	600,000		
Real Estate Building	1,797,778	1,797,778		
Machinery & Equipment	4,108,221	4,108,221		
Personal Property or (depreciation)	(5,199,276)	(5,199,276)		
Personal Property Total	1,306,723	1,306,723		
Total Proceeds Available for Distribution	8,766,974	7,163,927		
Administrative Claims:				
Trustee Fees	200,590	200,590	200,590	
Trustee's Counsel	150,442	150,442	150,442	
Wind-Down Cost	71,639	71,639	71,639	
Contingency	71,639	71,639	71,639	
Total Liquidation Expenses	494,311	494,311	494,311	
Net Proceeds Available to Creditors	**8,272,663**	**6,669,616**	**6,669,616**	
Allocations of Proceeds				
Secured Claims:				
TCTM	30,503,433	6,669,616	6,669,616	6,669,616
Other secured claims	36,489	-		36,489
Total Secured Claims	**30,539,922**	**6,669,616**	**6,669,616**	**6,706,105**
			22%	22%
Available for Priority and Unsecured Claims	**(22,267,259)**	**-**	**-**	**4,434,746**
Total Priority Claims	153,430			153,430
Net Proceeds Available for Unsecured Claims	**(22,420,689)**	**-**		**4,281,316**
Total Unsecured Claims	4,354,027			4,281,316
Recovery %			**0%**	**98%**

Assumes:

(a) Assets use actual values as of October 31, 2016 and last appraisals or book value

NRC/FMRI Environmental paid through until remediated

Secured debt balance carry forward in order of Fansteel, WDMA, WDC

WELLMAN DYNAMICS (WDMA)

Proceeds from Liquidation Analysis	**Book**	**Estimated**	**Payment**	**Payment**
($ AS STATED)	**Value**	**Recovery**	**Liquidation**	**Under Plan**
Assets: (a)				
Cash and Cash Equivalents	(21,174)	(21,174)		
Accounts Receivable	1,762,674	1,586,407		
Inventory Raw Materials	669,543	428,508		
Inventory WIP	4,565,119	2,921,676		
Inventory Finished Goods	648,800	415,232		
Inventory Total	5,883,462	3,765,416		
Other Receivables	-	-		
Prepaids	-	-		
Intangible Assets	-	-		
Other Noncurrent Assets	-	-		
Real Estate Land	-	-		
Real Estate Building	-	-		
Machinery & Equipment	1,251,450	1,001,160		
Personal Property or (depreciation)	-	-		
Personal Property Total	1,251,450	1,001,160		
Total Proceeds Available for Distribution	8,876,412	6,331,808		
Administrative Claims:				
Trustee Fees	177,291	177,291	177,291	
Trustee's Counsel	132,968	132,968	132,968	
Wind-Down Cost	63,318	63,318	63,318	
Contingency	63,318	63,318	63,318	
Total Liquidation Expenses	436,895	436,895	436,895	
Net Proceeds Available to Creditors	**8,439,517**	**5,894,914**	**5,894,914**	
Allocations of Proceeds				
Secured Claims:				
TCTM after Fansteel Liquidation	23,833,818	5,894,914	5,894,914	23,833,818
Other secured claims	24,400	-		24,400
Total Secured Claims	**23,858,218**	**5,894,914**	**5,894,914**	**23,858,218**
Available for Priority and Unsecured Claims	**(15,418,700)**	**-**	**-**	**207,240**
Total Priority Claims	57,590			57,590
Net Proceeds Available for Unsecured Claims	**(15,476,291)**	**-**		**149,650**
Total Unsecured Claims	172,354			149,650
Recovery %			**0%**	**87%**

Assumes:

(a) Assets use actual values as of October 31, 2016 and last appraisals* or book value

NRC/FMRI Environmental paid through until remediated

Secured debt balance carry forward in order of Fansteel, WDMA, WDC

CONSOLIDATED INCOME
STATEMENT 2017-2021
(AND AMORTIZED PLAN PAYMENTS)

ALL UNITS COMBINED

CONSOLIDATED (excluding AST)														
INCOME STATEMENT														
	2017 Plan					**2018 Plan**					**2019 Plan**	**2020 Plan**	**2021 Plan**	**2022 Payoff**
	Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**	**Q2**	**Q3**	**Q4**	**Total**	**Total**	**Total**	**Total**	**Total**
Net Sales	16,096,973	19,057,959	18,762,639	15,270,403	69,187,973	17,671,395	17,460,795	17,438,295	17,589,495	70,159,980	76,880,863	83,059,357	87,337,055	
Cost of Goods Sold	13,336,854	14,984,463	15,484,828	13,161,998	56,968,142	14,532,353	14,439,689	14,445,089	14,511,617	57,928,748	62,457,069	66,918,718	70,082,488	
Gross profit	2,760,119	4,073,495	3,277,811	2,108,405	12,219,831	3,139,042	3,021,106	2,993,206	3,077,878	12,231,231	14,423,794	16,140,639	17,254,567	
Gross Profit %	17.1%	21.4%	17.5%	13.8%	17.7%	17.8%	17.3%	17.2%	17.5%	17.4%	18.8%	19.4%	19.8%	
Selling, General & Admin Expenses	906,282	917,083	955,258	958,368	3,736,991	983,346	983,348	996,346	996,348	3,959,387	4,196,905	4,449,850	4,678,456	
Income before Corporate Allocation	1,853,837	3,156,413	2,322,554	1,150,037	8,482,840	2,155,696	2,037,758	1,996,860	2,081,530	8,271,844	10,226,888	11,690,788	12,576,111	
Corporate Allocation	264,750	264,750	264,750	264,750	1,059,000	277,775	277,775	277,775	277,775	1,111,098	1,166,356	1,224,989	1,287,221	
Operating income (loss) EBITDA	1,589,087	2,891,663	2,057,804	885,287	7,423,840	1,877,922	1,759,984	1,719,086	1,803,756	7,160,746	9,060,532	10,465,799	11,288,890	
EBITDA	**1,589,087**	**2,891,663**	**2,057,804**	**885,287**	**7,423,840**	**1,877,922**	**1,759,984**	**1,719,086**	**1,803,756**	**7,160,746**	**9,060,532**	**10,465,799**	**11,288,890**	**11,288,890**
Reorganization Payments														
Fansteel Inc.		20,705	31,057	31,057	82,819	31,057	159,167	223,222	223,222	636,667	892,886	892,886	1,843,461	225,598
Wellman Dynamics Corp		304,944	458,146	204,035	967,125	154,035	596,837	556,955	556,955	1,864,783	2,332,395	2,264,412	3,639,144	5,769,771
Wellman (Machining & Assembly)		408	612	612	1,631	612	3,134	4,395	4,395	12,536	17,581	17,581	36,298	4,442
Total Reorganization Payments		326,056	489,815	235,704	1,051,575	185,704	759,138	784,572	784,572	2,513,986	3,242,862	3,174,879	5,518,904	5,999,811
Financing														
Line of Credit		147,400	221,100	221,100	589,600	221,100	221,100	221,100	221,100	884,400	884,400	884,400	884,400	884,400
Bridge loan		47,700	71,550	71,550	190,800	71,550	249,043	337,789	337,789	996,170	1,351,155	1,351,155	1,351,155	1,767,268
Payments & Financing		521,156	782,465	528,354	1,831,975	478,354	1,229,280	1,343,461	1,343,461	4,394,556	5,478,417	5,410,434	7,754,459	8,651,479
Discontinued operation (payment)		80,000	120,000	120,000	320,000	120,000	120,000	120,000	120,000	480,000	480,000	480,000	480,000	480,000
Total Payments		601,156	902,465	648,354	2,151,975	598,354	1,349,280	1,463,461	1,463,461	4,874,556	5,958,417	5,890,434	8,234,459	9,131,479
Proceeds after Payments & Financing*	**1,589,087**	**2,290,507**	**1,155,339**	**236,933**	**5,271,865**	**1,279,568**	**410,703**	**255,625**	**340,295**	**2,286,190**	**3,102,115**	**4,575,365**	**3,054,432**	**2,157,411**
EBITDA coverage		**4.81**	**2.28**	**1.37**	**3.45**	**3.14**	**1.30**	**1.17**	**1.23**	**1.47**	**1.52**	**1.78**	**1.37**	**1.24**
* Cap Ex Program Supported by equity		750,000	750,000	1,500,000	180,000	180,000	180,000	180,000	720,000	720,000	720,000	720,000		

EXHIBIT H

CONSOLIDATED INCOME STATEMENT 2017-2021 (AND AMORTIZED PLAN PAYMENTS)

WELLMAN DYNAMICS CORP

Wellman Dynamics Corp - Standalone Emergence

INCOME STATEMENT

	2017 Plan					2018 Plan					2019 Plan	2020 Plan	2021 Plan	2022 Payoff
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Total
Customer Sales	12,122,605	14,540,952	15,649,793	12,519,781	54,833,131	13,455,593	13,455,593	13,455,593	13,455,593	53,822,372	59,897,473	65,215,269	68,489,700	
Tooling Sales	1,014,631	921,057	365,135	199,336	2,500,159	638,791	638,791	638,791	638,791	2,555,162	2,611,376	2,668,826	2,727,547	
Total Gross Sales	13,137,237	15,462,009	15,432,524	12,719,117	56,750,886	14,094,384	14,094,384	14,094,384	14,094,384	56,377,534	62,508,849	67,884,096	71,217,247	
Sales Returns, Allowances and Discounts	(270,334)	(324,263)	(336,003)	(279,191)	(1,209,791)	(296,023)	(296,023)	(296,023)	(296,023)	(1,184,092)	(1,317,745)	(1,434,736)	(1,506,773)	
Net Sales	12,866,903	15,137,746	15,096,521	12,439,925	55,541,095	13,798,360	13,798,360	13,798,360	13,798,360	55,193,442	61,191,104	66,449,360	69,710,474	
Cost of Goods Sold	10,856,954	12,121,487	12,762,460	10,959,721	46,700,622	11,839,558	11,839,558	11,839,558	11,839,558	47,358,234	51,425,154	55,341,476	57,661,190	
Gross profit	2,009,949	3,016,259	2,334,061	1,480,204	8,840,473	1,958,802	1,958,802	1,958,802	1,958,802	7,835,208	9,765,950	11,107,884	12,049,284	
Gross Profit %	15.6%	19.9%	15.5%	11.9%	15.6%	14.2%	14.2%	14.2%	14.2%	13.9%	14.2%	15.0%	15.6%	
Selling, General & Admin Expenses	386,573	402,483	431,984	433,086	1,654,126	435,205	435,205	435,205	435,205	1,740,820	1,836,998	1,938,580	2,045,196	
Income before Corporate Allocation	1,623,376	2,613,776	1,902,077	1,047,119	7,186,348	1,523,597	1,523,597	1,523,597	1,523,597	6,094,389	7,928,951	9,169,303	10,004,088	
Corporate Allocation	198,563	198,563	198,563	198,563	794,250	208,331	208,331	208,331	208,331	833,323	874,768	918,743	965,417	
Operating income (loss) EBITDA	1,424,813	2,415,213	1,703,515	848,556	6,392,098	1,315,266	1,315,266	1,315,266	1,315,266	5,261,066	7,054,183	8,250,560	9,038,671	
EBITDA	**1,424,813**	**2,415,213**	**1,703,515**	**848,556**	**6,392,098**	**1,315,266**	**1,315,266**	**1,315,266**	**1,315,266**	**5,261,066**	**7,054,183**	**8,250,560**	**9,038,671**	
Reorganization Payments														
Fansteel Inc.														
Wellman Dynamics Corp		304,944	458,146	204,035	967,125	154,035	596,837	556,955	556,955	1,864,783	2,332,395	2,264,412	3,639,144	5,769,771
Wellman (Machining & Assembly)														0
Total Reorganization Payments		**304,944**	**458,146**	**204,035**	**967,125**	**154,035**	**596,837**	**556,955**	**556,955**	**1,864,783**	**2,332,395**	**2,264,412**	**3,639,144**	**5,769,771**
Financing														
Line of Credit														
Bridge loan														
Payments & Financing	-	304,944	458,146	204,035	967,125	154,035	596,837	556,955	556,955	1,864,783	2,332,395	2,264,412	3,639,144	5,769,771
Discontinued operation (payment)														
Proceeds after Payments & Financing*	**1,424,813**	**2,110,269**	**1,245,369**	**644,521**	**5,424,972**	**1,161,231**	**718,429**	**758,311**	**758,311**	**3,396,283**	**4,721,788**	**5,986,149**	**5,399,526**	
* Cap Ex Program Supported by equity			750,000	750,000	1,500,000	180,000	180,000	180,000	180,000	720,000	720,000	720,000	720,000	

CONSOLIDATED INCOME
STATEMENT 2017-2021
(AND AMORTIZED PLAN PAYMENTS)

FANSTEEL, INC

Fansteel Corp - Standalone Emergence (Intercast)

INCOME STATEMENT

	2017 Plan					2018 Plan					2019 Plan	2020 Plan	2021 Plan	2022 Payoff
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Total
Net Sales	2,402,070	2,916,713	2,780,518	1,964,677	10,063,979	2,616,634	2,616,634	2,616,634	2,616,634	10,466,538	10,885,199	11,320,607	11,773,431	
Cost of Goods Sold	1,845,442	2,145,866	2,056,779	1,547,473	7,595,560	1,830,401	1,830,401	1,830,401	1,830,401	7,321,603	7,511,217	7,769,725	8,208,669	
Gross profit	556,628	770,847	723,739	417,205	2,468,419	786,234	786,234	786,234	786,234	3,144,935	3,373,982	3,550,882	3,564,762	
Gross Profit %	23.2%	26.4%	26.0%	21.2%	24.5%	30.0%	30.0%	30.0%	30.0%	30.0%	31.0%	31.4%	30.3%	
Selling, General & Admin Expenses	334,709	340,600	341,274	341,283	1,357,865	355,142	355,142	355,142	355,142	1,420,568	1,511,607	1,609,020	1,609,020	
Income before Corporate Allocation	221,919	430,247	382,465	75,922	1,110,553	431,092	431,092	431,092	431,092	1,724,367	1,862,375	1,941,862	1,955,742	
Corporate Allocation	31,770	31,770	31,770	31,770	127,080	33,333	33,333	33,333	33,333	133,332	139,962	146,998	154,466	
Operating income (loss) EBITDA	190,149	398,477	350,695	44,152	983,473	397,759	397,759	397,759	397,759	1,591,035	1,722,413	1,794,864	1,801,276	
EBITDA	**190,149**	**398,477**	**350,695**	**44,152**	**983,473**	**397,759**	**397,759**	**397,759**	**397,759**	**1,591,035**	**1,722,413**	**1,794,864**	**1,801,276**	
Reorganization Payments														
Fansteel Inc.	0	20,705	31,057	31,057	82,819	31,057	159,167	223,222	223,222	636,667	892,886	892,886	1,843,461	225,598
Wellman Dynamics Corp														
Wellman (Machining & Assembly)														
Total Reorganization Payments		20,705	31,057	31,057	82,819	31,057	159,167	223,222	223,222	636,667	892,886	892,886	1,843,461	**225,598**
Financing														
Payments & Financing	0	20,705	31,057	31,057	82,819	31,057	159,167	223,222	223,222	636,667	892,886	892,886	1,843,461	225,598
Discontinued operation (payment)	0	80,000	120,000	120,000	320,000	120,000	120,000	120,000	120,000	480,000	480,000	480,000	480,000	
Proceeds after Payments & Financing	**190,149**	**297,772**	**199,638**	**(106,905)**	**580,655**	**246,702**	**118,592**	**54,537**	**54,537**	**474,368**	**349,527**	**421,978**	**(522,185)**	

CONSOLIDATED INCOME
STATEMENT 2017-2021
(AND AMORTIZED PLAN PAYMENTS)

WELLMAN MACHINING & ASSEMBLY

WDMA - Standalone Emergence

INCOME STATEMENT

	2017 Plan					2018 Plan					2019 Plan	2020 Plan	2021 Plan	2022 Payoff
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Total
Net Sales	828,000	1,003,500	885,600	865,800	3,582,900	1,256,400	1,045,800	1,023,300	1,174,500	4,500,000	4,804,560	5,289,390	5,853,150	
Cost of Goods Sold	634,458	717,110	665,589	654,804	2,671,961	862,394	769,730	775,130	841,658	3,248,912	3,520,698	3,807,517	4,212,629	
Gross profit	123,070	215,768	202,820	193,080	910,939	342,006	224,070	211,470	296,142	1,251,088	1,283,862	1,481,873	1,640,521	
Gross Profit %	14.9%	21.5%	22.9%	22.3%	25.4%	27.2%	21.4%	20.7%	25.2%	28%	26.7%	28.0%	28.0%	
Selling, General & Admin Expenses	185,000	174,000	182,000	184,000	725,000	192,999	193,001	205,999	206,001	798,000	848,300	902,250	1,024,240	
Income before Corporate Allocation	(61,930)	41,768	20,820	9,080	185,939	149,007	31,069	5,471	90,141	453,088	435,562	579,623	616,281	
Corporate Allocation	34,418	34,418	34,418	34,418	137,670	36,111	36,111	36,111	36,111	144,443	151,626	159,248	167,338	
Operating income (loss) EBITDA	(96,348)	41,768	20,820	9,080	185,939	112,896	31,069	5,471	90,141	453,088	435,562	579,623	616,281	
EBITDA	**(96,348)**	**41,768**	**20,820**	**9,080**	**185,939**	**112,896**	**31,069**	**5,471**	**90,141**	**453,088**	**435,562**	**579,623**	**616,281**	
Reorganization Payments														
Fansteel Inc.														
Wellman Dynamics Corp														
Wellman (Machining & Assembly)	0	408	612	612	1,631	612	3,134	4,395	4,395	12,536	17,581	17,581	36,298	4,442
Total Reorganization Payments		**408**	**612**	**612**	**1,631**	**612**	**3,134**	**4,395**	**4,395**	**12,536**	**17,581**	**17,581**	**36,298**	**4,442**
Financing														
Payments & Financing	0	408	612	612	1,631	612	3,134	4,395	4,395	12,536	17,581	17,581	36,298	4,442
Discontinued operation (payment)														
Proceeds after Payments & Financing	**(96,348)**	**41,360**	**20,208**	**8,468**	**184,308**	**112,285**	**27,935**	**1,076**	**85,746**	**440,552**	**417,981**	**562,042**	**579,983**	

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF IOWA

In re:	)	Case No. 16-01823-als11
	)	
FANSTEEL, INC.	)	Chapter 11
	)	
Debtor and Debtor in Possession	)	Hon. Anita L. Shodeen
	)	
1746 Commerce Rd. Creston, IA 50801	)	**DEBTOR FANSTEEL, INC'S ~~FIRST~~SECOND AMENDED DISCLOSURE STATEMENT DATED ~~FEBRUARY 16~~MARCH 6, 2017**
EIN: 36-1058780	)	
	)	

Jeffrey D. Goetz, Esq., IS# 9999366
Krystal R. Mikkilineni, Esq., IS# 9999933
Bradshaw, Fowler, Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, IA 50309-8004
515/246-5817
515/246-5808 FAX
goetz.jeffrey@bradshawlaw.com

General Reorganization Counsel for
Fansteel, Inc.
Debtor, Debtor in Possession and
Plan Proponent

TABLE OF CONTENTS

I. INTRODUCTION

Fansteel, Inc. (hereinafter referred to as "Fansteel" or "Debtor") is the Debtor and Debtor in Possession in its Chapter 11 Bankruptcy Case pending before this Court. Fansteel commenced its case by filing a voluntary petition for relief on September 13, 2016.

Chapter 11 allows the Debtor, and under some circumstances, Creditors and other parties, to propose a plan of reorganization. The Debtor is the Plan Proponent of the ~~First~~kSecond Amended Plan of Reorganization Dated ~~February 16~~March 6, 2017 (the "Plan"). A true and exact copy of the Plan is filed contemporaneously with this Disclosure Statement (the "Disclosure Statement").

A. The Purpose of this Disclosure Statement

Pursuant to Bankruptcy Code Section 1125, the Plan Proponent has prepared and filed this Disclosure Statement along with the Plan, for the Court's approval and submission to the holders of Claims and Interests. However, before acceptance or rejection of a plan may be solicited, the Court must find that this Disclosure Statement contains "adequate information."

"Adequate Information" is defined in Bankruptcy Code Section 1125(a)(1) to mean information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, that would enable a hypothetical reasonable investor typical of the holders of Claims or Interests of the relevant Class to make an informed judgment about the plan. In re Dakota Rail, Inc., 104 B.R. 138 (Bankr. Minn. 1989); In re Metrocraft Publishing Serv., Inc., 39 B.R. 567 (Bankr. N.D. Ga. 1984).

READ THIS DISCLOSURE STATEMENT CAREFULLY TO FIND OUT THE FOLLOWING:

1. WHO CAN VOTE OR OBJECT;
2. WHAT THE TREATMENT OF YOUR CLAIM AND/OR INTEREST IS, (i.e., if your Claim and/or Interest is disputed, and what your Claim and/or Interest will receive if the Plan is confirmed);
3. THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING ITS BANKRUPTCY CASE;
4. WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR NOT TO CONFIRM THE PLAN; AND
5. WHAT IS THE EFFECT OF CONFIRMATION?

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own lawyer to obtain more specific advice on how the Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and Disclosure Statement, the Plan provisions will govern.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTOR, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING IT OR ITS FINANCIAL AFFAIRS, OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

YOU MAY NOT RELY UPON THIS DISCLOSURE STATEMENT FOR ANY PURPOSE OTHER THAN TO DECIDE HOW TO VOTE ON THE PLAN. NOTHING CONTAINED IN THE PLAN OR THE DISCLOSURE STATEMENT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY.

EXCEPT AS MAY BE SET FORTH IN THIS DISCLOSURE STATEMENT, THE BANKRUPTCY COURT HAS NOT APPROVED ANY REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS ASSETS. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED HEREIN AND APPROVED BY THE BANKRUPTCY COURT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER DATE IS SPECIFIED HEREIN. NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THIS DISCLOSURE STATEMENT AND PLAN SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH IN THE DISCLOSURE STATEMENT SINCE THE DATE THE DISCLOSURE STATEMENT WAS PREPARED.

ALTHOUGH THE DEBTOR BELIEVES THAT THE CONTENTS OF THIS DISCLOSURE STATEMENT ARE COMPLETE AND ACCURATE TO THE BEST OF ITS KNOWLEDGE, INFORMATION AND BELIEF, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED THEREIN IS WITHOUT ANY INACCURACY. ANY STATEMENTS REGARDING PROJECTED AMOUNTS OF CLAIMS AND DIVIDENDS ARE ESTIMATES OF THE DEBTOR BASED UPON CURRENTLY AVAILABLE INFORMATION AND ARE NOT A REPRESENTATION THAT SUCH AMOUNTS WILL ULTIMATELY PROVE CORRECT.

THE DEBTOR BELIEVES THAT THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THE PLAN WILL RESULT IN A GREATER RECOVERY FOR CREDITORS THAN THAT WHICH IS LIKELY TO BE ACHIEVED UNDER THE DIRECTION OF A TRUSTEE IN A CASE UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND INTEREST HOLDERS. THE DEBTOR RECOMMENDS THAT CREDITORS VOTE TO ACCEPT THE PLAN.

THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE BANKRUPTCY COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

THE PLAN IS INTENDED TO RESOLVE, COMPROMISE AND SETTLE ALL CLAIMS, DISPUTES, AND CAUSES OF ACTION BETWEEN AND AMONG ALL PARTICIPANTS AND AS TO ALL MATTERS RELATING TO THESE PROCEEDINGS, EXCEPT AS EXPRESSLY PROVIDED FOR IN THE PLAN. THEREFORE, APPROVAL OF THE PLAN SHALL AFFECT THE DISCHARGE AND RELEASE OF THE DEBTOR AND SETTLE ALL CLAIMS OF CREDITORS AND INTEREST HOLDERS, EXCEPT AS EXPRESSLY PROVIDED FOR IN THE PLAN.

IF THE BANKRUPTCY COURT CONFIRMS THE PLAN, CREDITORS' CLAIMS, IF AND TO THE EXTENT ALLOWED, WILL BE PAID IN ACCORDANCE WITH THE TERMS OF, AND AT SUCH TIME(S) SPECIFIED IN, THE PLAN.

B. Defined Terms

For purposes of this Disclosure Statement, all capitalized terms used herein, and not otherwise defined, shall have the meanings set forth in the Plan. A term used, but not defined, in the Plan, but defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to it in the Bankruptcy Code or the Bankruptcy Rules, unless the context clearly requires otherwise. The rules of construction used in Bankruptcy Code Section 102 shall apply to construction of this Disclosure Statement and the Plan. Headings and captions are used in this Disclosure Statement for the convenience of reference only, and shall not constitute a part of this Disclosure Statement for any other purpose.

II. EXECUTIVE SUMMARY OF THE PLAN

The Debtor's Plan is an "operating" Plan and not a "liquidating" Plan. That means the Debtor intends reorganize its finances and business affairs, continue its business operations, and pay its Creditors from revenue generated by future operations.

The following chart provides a summary of the classification of Creditors and Interests under the Plan and the anticipated aggregate amounts that will be allowed within each Class (on the Effective Date). This summary chart is purely an estimate based on the information presently available to the Debtor; the actual Distributions to certain Classes under the Plan may vary from the projections.

Class	Constituency	# of Claims	Estimated Distribution	Treatment
Unclassified	§507(a)(2)-Administrative Expense Claims	13	$2,655,000	Paid in full on the Effective Date of the Plan, or such date as approved by the Court, unless creditor agrees to different/less favorable

				treatment
Unclassified	§507(a)(8) Priority Tax Claims	1	Undetermined	Payment in Cash of the Allowed Amount of the Claim on the later of the Effective Date or the date such Claim becomes an Allowed Claim or the Holder of the Claim will receive regular installment payments in Cash of a value equal to the allowed amount of such Claim, unless creditor agrees to different and/or less favorable treatment.
Class 1	§507(a)(1), (4), (5), (6) & (7) – Priority Non-Tax Claims		$0	Paid in full on the Effective Date of the Plan, or such date as approved by the Court, unless creditor agrees to different/less favorable treatment.
Class 2	Allowed Secured Claim of TCTM Financial FS LLC	1	$30,569,860.12	Paid in full on the Effective Date of the Plan on account of its Allowed Pre-Petition Claim, in Cash, less credits for the Disputed Unpaid Other Fees, the Interest Credit, the AST Credit, the Letters of Credit Credit and the Multi-Card Credit, as defined in the Plan.
Class 3	Allowed Secured Claim of 510 Ocean Drive Debt Acquisition, LLC	1	$6,139,713.83	On the Effective Date, $4,000,000 converted to equity in the Reorganized WDC Bankruptcy Case and balance secured by assets of the Reorganized WDC bankruptcy estate.
Class 4	Allowed Secured Lease Claim of Actuant Corporation	1	$60,085.00	Lease rejected pursuant to Stipulation.
Class 5a	Allowed Secured Lease Claim of AIM Nationalease (Freightliner Truck)	1	$1,245.00	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective

				Date, unless the creditor agrees to different/less favorable treatment.
Class 5b	Allowed Secured Lease Claim of AIM Nationalease (International Truck)	1	$1,122.00	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.
Class 6	Allowed Secured Lease Claim of Fifth Third Leasing Co.	1	$0	Lease has matured and no amounts due and owing. Debtor will surrender the subject collateral to the creditor and creditor will not receive any dividend under the Plan.
Class 7	Allowed Secured Lease Claim of McAllen Foreign – Trade Zone	1	$2,650.00	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.
Class 8	Allowed Secured Lease Claim of Xerox Corporation	1	$122.74	Lease assumed by the Reorganized Debtor as of the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the creditor agrees to different/less favorable treatment.
Class 9	Allowed Unsecured Administrative Convenience Class Claims	162	$290,845.00	Unless creditor agrees to different/less favorable treatment, in exchange for full satisfaction of claim, each creditor will receive a cash payment equal to 75% of the

				Allowed amount of its Claim, without interest, within thirty days of the Effective Date.
Class 10	Allowed General Unsecured Claims	66	$4,063,181.00	Each Claim holder to receive a dividend, in Cash, in deferred quarterly payments, with the first payment being on the Effective Date, and subsequent payments within ninety days thereafter, for a period not to exceed five years from and after the Effective Date, unless Claim holders elect to receive 30% of their Allowed Claim paid in Cash on the Effective Date in complete satisfaction of their Allowed Claim.
Class 11	Unsecured Claim of ~~the~~ FMRI ~~Decommissioning Trust~~, NRC and ODEQ	1	~~$0~~Undetermined	Commitment to ~~continue to~~ decommission and remediate the Muskogee, Oklahoma site, in exchange for complete satisfaction of the Class 11 Claim.
Class 12	Allowed Claims Filed by the Pension Benefit Guaranty Corporation Relating to the Wellman Dynamics Corporation Salaried Employees Retirement Plan	1	$6,995,929.89	The Class 12 Claim will be treated and paid through the WDC Plan of Reorganization. Should WDC fail to make any of the WDC Class 14 claims payments, ~~WMDA~~WDMA and, or, Fansteel shall pay the balance owed.
Class 13	General Unsecured Claim of Wellman Dynamics Corporation	1	$0	Satisfied by conversion of the Class 13 Claim debt into the equity interests to be given to WDC.
Class 14	Subordinated Unsecured Claims of Insiders	1	$0	Holder of Class 14 Claim to receive nothing under the Plan, unless the Debtor provides a 100% dividend to all holders of Allowed Claims in Classes 1 through 13.
Class 15	Equity Interests	1	$0	Cancelled on the Effective Date.

III. CONFIRMATION REQUIREMENTS: VOTE REQUIRED FOR APPROVAL OF THE PLAN

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing Claims. The Plan Proponents CAN NOT and DO NOT represent that the discussion contained below is a complete summary of the law on this topic.

A. Who may Vote or Object

1. Who May Object to Confirmation of the Plan

Any party in interest may object to confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

2. Who May Vote to Accept/Reject the Plan

A Creditor has a right to vote for or against the Plan if that Creditor has a Claim which is both (1) Allowed or Allowed for voting purposes and (2) classified in an Impaired Class.

a. What is an Allowed Claim

As noted above, a Creditor must first have an Allowed Claim to have the right to vote. Generally, any Proof of Claim will be allowed, unless a party in interest brings a motion objecting to the Claim. When an objection to a Claim is filed, the Creditor holding the Claim cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the Claim for voting purposes.

THE BAR DATE FOR FILING A NON-GOVERNMENTAL PROOF OF CLAIM IN THIS CASE WAS JANUARY 17, 2017 A Creditor may have an Allowed Claim even if a Proof of Claim is not timely filed. A Claim is deemed allowed if (1) it is scheduled on the Debtor's Schedules and such Claim is not scheduled as Disputed, Contingent, or Unliquidated, and (2) no party in interest has objected to the Claim.

b. What is an Impaired Claim

As noted above, an Allowed Claim only has the right to vote if it is in a Class that is Impaired under the Plan. A Class is Impaired if the Plan alters the legal, equitable, or contractual rights of the members of that Class. For example, a Class comprised of General Unsecured Claims is Impaired if the Plan fails to pay the members of that Class 100% of what they are owed.

In this case the Debtor believes that Classes 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, and 15 are Impaired, and that holders of Claims in these Classes are therefore entitled to vote to accept or reject the Plan. The Debtor believes that Classes 1 and 6 are Unimpaired and holders of Claims in these Classes do not have the right to vote to accept or reject the Plan. Parties who

dispute the Debtor's characterization of their Claim as being Impaired or Unimpaired may file an objection to the Plan contending that the Debtor has incorrectly characterized the Class.

3. Who is Not Entitled to Vote ?

The following four types of Claims are not entitled to vote: (1) Claims that have been disallowed; (2) Claims in Unimpaired Classes; (3) Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2), (a)(3) and (a)(8); and (4) Claims in Classes that do not receive or retain any value under the Plan. Claims in Unimpaired Classes are not entitled to vote because such Classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2), (a)(3), and (a)(8) are not entitled to vote because such Claims are not placed in Classes and they are required to receive certain treatment specified by the Bankruptcy Code. Claims in Classes that do not receive or retain any value under the Plan do not vote because such Classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF A TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO CONFIRMATION OF THE PLAN.

4. Who can Vote in More than One Class?

A Creditor who's Claim has been allowed in part as a Secured Claim and in part as an Unsecured Claim is entitled to accept or reject the Plan in both capacities, by casting one ballot for the secured part of the Claim and another ballot for the Unsecured Claim.

5. Votes Necessary to Confirm the Plan

Since Impaired Classes exist, the Court cannot confirm the Plan unless (1) at least one Impaired Class has accepted the Plan without counting the votes of any Insiders within that Class, and (2) all Impaired Classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" on non-accepting Classes, as discussed later in paragraph 7 of this Section.

6. Votes Necessary for a Class to Accept the Plan

A Class of Claims is considered to have accepted the Plan when more than one-half (1/2) in number and at least two-thirds (2/3) in dollar amount of the Claims which actually voted, voted in favor of the Plan. A Class of Interests is considered to have accepted the Plan when at least two-thirds (2/3) in amount of the Interest holders of such Class which actually voted, voted to accept the Plan.

7. Treatment of Non-accepting Classes: Absolute Priority Rule

As noted above, even if all Impaired Classes do not accept the Plan, the Court may confirm the Plan as long as the non-accepting Classes are treated in the manner required by the Bankruptcy Code. The process by which non-accepting Classes are forced to be bound by the terms of a plan is commonly referred to as "cramdown." The Bankruptcy Code allows a plan to be "crammed down" on non-accepting Classes of Claims if it meets all consensual requirements, except the voting requirements of Bankruptcy Code § 1129(a)(8), and if the plan does not "discriminate unfairly" and is "fair and equitable" toward each Impaired Class that has not voted to accept the plan, as referred to in Bankruptcy Code § 1129(b), and applicable case law.

a. Secured Claims

There are three ways to satisfy the fair and equitable standard with respect to a dissenting Class of Secured Claims. The first way is to provide that Class members retain their security interests (whether the collateral is kept or is transferred by the Debtor) to the extent of their allowed Secured Claims, and to give each Secured Creditor in the Class deferred Cash payments that aggregate to at least the amount of the allowed Secured Claim, and which have a present value equal to the value of the collateral. This method of satisfying the fair and equitable standard may be complicated by the application of the Bankruptcy Code § 1111(b)(2). The meaning of "Allowed Secured Claim" as used in this paragraph will depend on whether the Secured Class makes a Bankruptcy Code § 1111(b)(2) election to be treated as fully secured despite the fact that the collateral may be worth less than the amount of the Claim.

The Bankruptcy Code § 1111(b)(2) Election converts an Unsecured Deficiency Claim into a Claim secured by the collateral of the electing Creditor. If a Creditor so elects, the Debtor must treat the Creditor's entire Claim as a Secured Claim, and the Plan must provide for the Creditor to receive, (on account of its Claim) payments (either present or deferred), of a principal face amount equal to the amount of the Claim and of a present value equal to the value of the collateral.

A second alternative for complying with the fair and equitable standard with respect to a Class of dissenting Secured Creditors is for the Plan to provide for the realization of the "indubitable equivalent" of their Secured Claims.

The third alternative for satisfying the fair and equitable standard is for the Plan to provide for the sale of the collateral free and clear of liens, with the liens to attach to the sale proceeds.

b. Unsecured Claims:

There are two ways of satisfying the fair and equitable standard with respect to a dissenting Class of Unsecured Claims. The first way is for the Plan to provide for Distributions to the dissenting Class worth the full amount of their Allowed Claims. The Allowed Claims need not be paid in full on the Effective Date of the Plan. ~~If~~The Debtor maintains that if the Plan provides for deferred payments, an appropriate discount factor must be used so that the present value of deferred payments equals the full amount of the Allowed Unsecured Claims of the dissenting Class.

The second way to satisfy the fair and equitable test with respect to a dissenting Class of Unsecured Creditors, is for the Plan to provide that all Claims and/or Interests that are junior to the dissenting Class do not receive or retain any property on account of their Claims or Interests. Accordingly, if a dissenting Unsecured Creditor Class is to receive property worth only one-half of its Allowed Claims, the Plan may still be fair and equitable if all junior Classes are to receive or retain nothing, and if no senior Class is to receive more than 100% of its Allowed Claims.

8. Request for Confirmation Despite Non-acceptance by Impaired Class(es)

If any Impaired Class does not accept the Plan, the Debtor will seek confirmation by the cramdown provisions of Section 1129(b), provided that all of the applicable requirements of Section 1129(a), other than Section 1129(a)(8), have been met.

IV. DESCRIPTION OF THE PLAN

The following description of the Plan is qualified in its entirety by the terms of the Plan itself.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN. THE STATEMENTS CONTAINED HEREIN DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN, AND REFERENCE IS MADE TO THE PLAN FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF WILL BE FILED CONTEMPORANEOUSLY WITH THIS DISCLOSURE STATEMENT, AND WILL CONTROL THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THE PLAN UPON THE EFFECTIVE DATE, AND WILL BE BINDING UPON CREDITORS, INTEREST HOLDERS AND OTHER PARTIES.

A. What Creditors and Interest Holders will Receive under the Plan

As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various Classes according to their right to priority. The Plan states whether each Class of Claims or Interests is Impaired or Unimpaired. The Plan also provides the treatment Claims and Interests in each Class will receive.

B. Unclassified Claims

Certain types of Claims are not placed into voting Classes; instead they are Unclassified. They are not considered Impaired and will not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Plan Proponents have not placed the following Claims in a Class.

1. Administrative Expense Claims

Administrative Expense Claims are Claims for costs and/or expenses of administering the Debtor's Bankruptcy Case which is allowed under Bankruptcy Code § 507(a)(2). The Bankruptcy Code requires that all Administrative Expense Claims be paid on the Effective Date of the Plan unless a particular claimant agrees to a different and/or less favorable treatment.

The Administrative Expense Claims will be paid proportionally by all three estates – the WDC Bankruptcy Case, Fansteel Bankruptcy Case, and WDMA Bankruptcy Case.

2. Court Approval of Fees Required

The Court must rule on all Professional Fees, except U.S. Trustee Quarterly Fees, before the fees will be paid. For all fees except the U.S. Trustee's fees, the professional or party seeking reimbursement must file and serve a properly noticed fee application and the Court must rule on the application. Only the amount of fees allowed by the Court will be paid under this Plan.

3. Priority Tax Claims

Priority Tax Claims include certain unsecured income, employment and other taxes described in Bankruptcy Code § 507(a)(8). The Bankruptcy Code requires that each holder of such a § 507(a)(8) Priority Tax Claim receive the present value of such Claim in deferred Cash payments, over a period not exceeding five (5) years from the Petition Date.

The Debtor is aware of two Priority Tax Claims -- (1) the Internal Revenue Service has filed a proof of claim with a priority claim in the amount of $160,884.80; and (2) Hidalgo County and the City of McAllen. The Debtor asserts that the IRS Claim is contingent as it is based on an unassessed liability.

The priority tax claim of Hidalgo County and the City of McAllen for the 2017 ad valorem property taxes shall be paid in the ordinary course of business and these taxing entities shall not be required to file a request for allowance and payment of its claims. To the extent any taxes due to Hidalgo County and the City of McAllen for the 2017 tax year are not timely paid as required by state statute, the taxing entities shall be at liberty to pursue its state court remedies to collect said taxes without further order of the Bankruptcy Court. The statutory liens now securing said claims shall be retained until said taxes are paid in full.

Except to the extent that the holder of a particular Allowed Priority Tax Claim has agreed to a different and/or less favorable treatment of its Claim, such holder will receive on account of such Claim either: (i) in the case of an Allowed Secured Priority Tax Claim, payment in Cash by the Reorganized Debtor the allowed amount of such Secured Priority Tax Claim on the later of the Effective Date or the date such Claim becomes an Allowed Claim; or (ii) the holder of such a Claim will receive on account of such Claim regular installment payments in Cash, of a value, as of the Effective Date of the Plan, equal to the allowed amount of such Claim. In the event the holder of such a Claim will receive deferred Cash payments, such Claim holder shall receive equal monthly installments of principal and interest beginning on the first day of the month following the Effective Date and amortized over a period equal to but not exceeding five (5) years after the Petition Date, with such equal monthly installments based on the allowed amount of such Claim with interest thereon calculated pursuant to Bankruptcy Code § 511. The treatment proposed for Priority Tax Claims as outlined above also applies to any claims that are secured by perfected tax liens. Secured tax creditors shall retain their liens until the claims are paid in full.

C. Classified Claims and Interests

1. Class 1 - Priority Non-Tax Claims

Class 1 includes certain Priority Non-Tax Claims that are referred to in Bankruptcy Code Sections 507(a)(1), (4), (5), (6), and (7) that are required to be placed in Classes. These are

generally for Domestic Support Obligations, Wages, and Contributions to Employee Benefit Plans, Grain Production and Purchase/Lease Deposits.

These types of Claims are entitled to priority treatment as follows: the Bankruptcy Code requires that each holder of such a Claim receive Cash on the Effective Date equal to the Allowed amount of such Claim. However, Priority Non-Tax Claim holders may vote to accept deferred Cash payments (of a value as of the Effective Date) equal to the Allowed amount of such Claim. These Claims are Unimpaired.

Except to the extent that the Holder of an Allowed Class 1 Claim has agreed to different and/or less favorable treatment of such Claim, each Holder of an Allowed Class 1 Claim shall be paid in Cash the Allowed amount of such Claim on the later of (i) the Effective Date or (ii) the entry of a Final Order approving such Claim.

2. Class 2– Allowed Secured Claim of TCTM Financial FS LLC

Class 2 consists of the Allowed Secured Claim of TCTM Financial FS LLC ("TCTM"), which includes obligations owing both before and after the Petition Date by the Debtor to TCTM. TCTM filed a Proof of Claim asserting a secured claim in the amount of $30,569,860.12 as of the Petition Date, based on certain promissory notes and security agreements referenced and itemized in its Proof of Claim, identified as Claim No. 39 of the Court's Claim Register in this Case. The promissory notes and security agreements were assigned to TCTM from Fifth Third Bank on or about September 1, 2016, as described in TCTM's Proof of Claim. The Class 2 Claim is Impaired.

The Debtor does not dispute the TCTM Proof of Claim, except for one issue: the Debtor disputes the full amount claimed for "Other Unpaid Fees". TCTM claims $357,530.02 for "Other Unpaid Fees" on its Proof of Claim. After review of additional documentation and information provided by Fifth Third Bank concerning this amount, the Debtor asserts that at least $292,364 of that $357,530.02 was included in the "Revolver Balance" on the Proof of Claim. As such, the Debtor believes the Proof of Claim is overstated by $292,364 (the "Disputed Unpaid Other Fees"), plus a credit for an amount of interest the Debtor asserts it has been paying interest twice on that amount (the "Interest Credit"). TCTM has agreed to withdraw the disputed portion in the amount of $292,364 from its Claim.

TCTM has included on its Proof of Claim a line item of $500,000 for the "Multi-Card" program on account of its credit backup to Fifth Third Bank which administered the Multi-Card program the Debtor Fansteel used. Subsequent to the Petition Date, the Debtor Fansteel's Multi-Card program with Fifth Third Bank was terminated and the Debtor Fansteel paid all outstanding amounts then due to Fifth Third Bank. The Debtor here is further informed that upon termination of the Debtor Fansteel's use of the Multi-Card program, TCTM was released of its credit backup obligation to Fifth Third Bank and $500,000 of TCTM's security for the credit backup was released by Fifth Third Bank to TCTM. The Debtor here therefore asserts it should be entitled to a reduction or other credit from TCTM for $500,000 from its Proof of Claim ("Multi-Card Credit").

There is currently pending a motion by the Debtor Fansteel, proposing to sell its American Sintered Technologies ("AST") division, and TCTM will be receiving net sale proceeds and additional funds in connection with that sale on account of its security interests on those assets. The Debtor herein asserts that it will be entitled to a credit for the net sale proceeds and additional funds (the "AST Credit").

The Debtor is informed TCTM has and will continue to assert that its claim is subject to supplemental amounts for pre- and post-petition attorney fees and other reimbursable expenses provided for under its promissory notes and security documents. ~~The Class 2 Claim is Impaired.~~ TCTM also asserts that it is entitled to the payment of additional interest accrued pursuant to the terms of its promissory notes and loan documents given the default status of the notes. The Class 2 Claim is Impaired.

On the Effective Date, the Holder of the Class 2 Claim will be paid in full on account of its Allowed Pre-Petition Claim, in Cash, less the credits for the Disputed Unpaid Other Fees, the Interest Credit, the AST Credit and the Multi-Card Credit in the amount of $500,000.

TCTM's Allowed Secured Claim will further be adjusted pending resolution of TCTM's request for payment of professional fees under Bankruptcy Code Section 506. The Debtor will pay the full amount asserted by TCTM for professional fees into a separate escrow account until allowance and payment of TCTM's professional fees is authorized by either stipulation or Court order (the "Post-Confirmation Attorney Fee Reserve").

The Class 2 Claim shall be paid from a combination of the New Senior Secured Credit Facility, and the New Value Equity Investment Cash, in addition to the credits referenced above and the Letters of Credit ~~Credit~~. On the Effective Date, the Class 2 Claim Holder shall release all liens, claims and encumbrances on all the assets of the Fansteel, Wellman Dynamics Corporation ("WDC"), and Wellman Dynamics Machinery & Assembly Inc. ("WDMA") cases.

3. Class 3 - Allowed Secured Claim of 510 Ocean Drive Debt Acquisition, LLC

Class 3 consists of the Allowed Secured Claim of 510 Ocean Drive Debt Acquisition, LLC ("510 Ocean Drive"), which includes obligations owing both before and after the Petition Date by the Debtor to 510 Ocean Drive. The Debtor estimates that as of the Effective Date, the amount owed to 510 Ocean Drive will be approximately $6,139,713.83. The Class 3 Claim is Impaired.

On the Effective Date, $4,000,000 of the Class 3 Claim will be converted to equity in the Reorganized WDC Bankruptcy Case, and the balance of the Class 3 Claim will be secured by the assets of the Reorganized WDC bankruptcy estate and subordinate to the New Senior Secured Credit Facility, Bieber, and the interests of the Collateral Trust. The Class 3 Claim shall not receive any payments on account of the Class 3 Claim until the Allowed Claims in Classes 1-10 have been paid in full.

The Committee has informed the Debtor that the Committee disputes this Class 3 Claim.

4. Class 4 - Allowed Secured Lease Claim of Actuant Corporation

Class 4 consists of the Allowed Secured Lease Claim of Actuant Corporation ("Actuant") for the lease of commercial/industrial real estate and buildings at 1739 Commerce Road, Creston, Iowa (the "Actuant Lease"). Class 4 is Impaired.

Actuant and the Debtor entered into a Stipulation rejecting the Actuant Lease. Pursuant to the Stipulation and Consent Order at Docket Item 267, Actuant is entitled to a post-petition administrative expense claim for post-petition rent for the "Gits Building" between the Petition Date and the date the Debtor actually vacated the premises. The Debtor agreed to vacate the building by no later than November 15, 2016. The post-petition administrative expense rent claim for October was paid within 14 days after entry of the Consent Order and the balance for September and November shall be paid in full upon Confirmation of the Plan. The Class 4 Claim Holder shall be entitled to a Lease Rejection Damages Claim in the amount of $60,085.00.

5. Class 5a - Allowed Secured Lease Claim of AIM Nationalease (Freightliner Truck)

Class 5a consists of the Allowed Secured Claim of AIM Nationalease ("AIM") for the lease of a 2014 Freightliner Truck (the "AIM Freightliner Lease"). The Class 5a Claim is Impaired.

The Allowed amount of the Class 5a Claim shall be assumed by the Reorganized Debtor as of the Effective Date and assigned to Embassy Powered Metals, Inc. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in cash, on or before the Effective date, unless the Class 5a Claim Holder agrees to different and/or less favorable treatment. The Class 5a Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 5a Claim, and the legal, equitable or contractual rights to which the Class 5a Claim Holder is entitled shall not be altered, except as expressly modified herein. The estimated cure amount is $1,245.00.

6. Class 5b - Allowed Secured Lease Claim of AIM Nationalease (International Truck)

Class 5b consists of the Allowed Secured Lease Claim of AIM Nationalease ("AIM") for the lease of a 2016 International Truck (the "AIM International Lease"). The Class 5b Claim is Impaired.

The Allowed amount of the Class 5b Claim shall be assumed by the Reorganized Debtor as of the Effective Date and assigned to Embassy Powered Metals, Inc. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in cash, on or before the Effective date, unless the Class 5b Claim Holder agrees to different and/or less favorable treatment. The Class 5b Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 5b Claim, and the legal, equitable or contractual rights

to which the Class 5b Claim Holder is entitled shall not be altered, except as expressly modified herein. The estimated cure amount is $1,122.00.

7. Class 6 - Allowed Secured Lease Claim of Fifth Third Leasing Co.

Class 6 consists of the Allowed Secured Lease Claim of Fifth Third Leasing Co. ("Fifth Third Leasing") for the lease of a 200 ton upright sizing press (the "Fifth Third Leasing Lease"). As of the filing date of this Plan, Fifth Third Leasing has not filed a proof of claim. Based on the Debtor's books and records, the lease has matured and no amounts are due and owing on account of the Class 6 Claim. The Class 6 Claim is Unimpaired.

To the extent the Class 6 Claim Holder has not retrieved its collateral, the Debtor will cooperate in surrendering the subject collateral to the Class 6 Claim Holder or its agent. The Class 6 Claim shall not receive any dividend under this plan.

8. Class 7 - Allowed Secured Lease Claim of McAllen Foreign – Trade Zone

Class 7 consists of the Allowed Secured Real Estate Lease Claim of McAllen Foreign Trade Zone ("McAllen") for the lease of Warehouse Building "N" located at 3600 Formosa, McAllen, TX (the "McAllen Lease"). The Class 7 Claim is Impaired.

The McAllen Lease shall be assumed by the Reorganized Debtor as of the Effective Date. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the Class 7 Claim Holder agrees to different and/or less favorable treatment. The Class 7 Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 7 Claim, and the legal, equitable or contractual rights to which the Class 7 Claim Holder is entitled shall not be altered, except as expressly modified herein. The estimated cure amount is $2,650.00.

9. Class 8 - Allowed Secured Lease Claim of Xerox Corporation

Class 8 consists of the Allowed Secured Claim of Xerox Corporation ("Xerox") for the lease of a Kyocera KM-3035 (the "Xerox Lease"). The Class 8 Claim is Impaired.

The Xerox Lease shall be assumed by the Reorganized Debtor as of the Effective Date and assigned to Embassy Powered Metals, Inc. The Debtor and Reorganized Debtor will continue to make regular payments during the period after the Petition Date and prior to the Effective Date, and after the Effective Date. Any unpaid sums due for pre- and post-petition charges and payments shall be paid in full, in Cash, on or before the Effective Date, unless the Class 8 Claim Holder agrees to different and/or less favorable treatment. The Class 8 Claim shall be treated in accordance with all the terms and conditions of all previously executed documents respecting the Class 8 Claim, and the legal, equitable or contractual rights to which the Class 8 Claim Holder is entitled shall not be altered, except as expressly modified herein.

10. Class 9 - Allowed Unsecured Administrative Convenience Class Claims

Class 9 is an Administrative Convenience Class pursuant to Bankruptcy Code Section 1122(b). Class 9 consists of each Unsecured Claim against the Debtor that is not otherwise entitled to priority, that is not otherwise classified in this Plan, and that meets either of the following two requirements: (i) the Holder of such Claim asserts Unsecured Claims in the aggregate against the Debtor of $7,500.00 or less; or (ii) if the Unsecured Claims of a Creditor exceed $7,500.00, the Holder of such Claims irrevocably elects to limit the total of all Unsecured Claims held by such Holder against the Debtor to no more than $7,500.00. The Debtor believes that as of the Petition Date, there are approximately One Hundred Sixty Two (162) Class 9 Claims totaling approximately $290,845.00 (without regard to any Holders of Class 10 Claims that may elect Class 9 treatment). Class 9 is Impaired.

Except to the extent that a Holder of a particular Class 9 Claim agrees to different and/or less favorable treatment of its Claim, each Holder of an Allowed Class 9 Claim shall receive, in exchange for and in full satisfaction of such Claim, a Cash payment equal to 75% of the Allowed amount of such Claim, without interest, within Thirty (30) days of the Effective Date. Any Creditor asserting Unsecured Claims totaling more than $7,500.00 in amount that wishes to elect Class 4 treatment of its Unsecured Claim must make such election on the ballot accompanying this Plan.

11. Class 10 - Allowed General Unsecured Claims

Class 10 consists of all Allowed General Unsecured Claims that are: (i) against the Debtor and not otherwise entitled to priority; (ii) are not held by an insider of the Debtor, as that term is defined in the Bankruptcy Code, and (iii) not otherwise classified above. ~~The Creditors whose Claims are included in Class 10 are primarily trade Creditors who continue to do business with the Debtor, and whose Claims amount to less than the dollar volume (on a yearly basis) of their ongoing business with the Debtor.~~ There are approximately Sixty Six (66) Claims in Class 10, and the total amount of such Claims is approximately $4,063,181. Class 10 is Impaired.

Each holder of a Class 10 Claim shall receive, in exchange for and in full satisfaction of such Claim, a dividend, in Cash, in deferred quarterly payments, with the first payment being on the Effective Date, and subsequent payments within Ninety (90) days thereafter, for a period not to exceed Five (5) years from and after the Effective Date. The quarterly dividend shall be divided Pro-Rata among all Class 10 Claim Holders based on the amount of their respective Allowed General Unsecured Claims. The Debtor estimates that the minimum total amount of such dividends to be paid on all Allowed Class 10 Claims shall be equal to 100% of such Claims, plus interest at 3.0% per annum, as and from the Effective Date. The Class 10 Claims will be paid through the Debtor Fansteel's Bankruptcy Estate and not by the WDC Bankruptcy Estate or the WDMA Bankruptcy Estate.

~~Holders of Allowed Class 10 Claims may elect to receive Thirty Percent (30%) of their Allowed Claim paid in Cash on the Effective Date in complete satisfaction of their Allowed Claim.~~It is estimated that the unsecured creditors will receive full repayment from the Collateral Trust. Class 10 Claim Holders may elect one of two options. For the first option, the Class 10 Claim Holders may elect to receive one hundred percent (100%) of their Allowed Claim within

five (5) years plus annual amortized interest of 3% as follows: (a) the first four (4) quarters (Quarters 1-4) shall receive a payment of interest only and the first payment shall be made within thirty (30) days from the Effective Date; (b) the next fifteen (15) quarters (Quarters 5-19) shall receive a payment of principal and interest and payment shall be made in advance within ten (10) days from the first day of each quarterly payment; and (c) the one final payment (Quarter 20) of accrued interest and principal is due as a full settlement no later than the end of the final amortization day. Attached hereto as Exhibit "A" is a detailed amortization schedule in support of this first option. These payments are discretionary in only one instance – the New Senior Secured Credit Facility may require a minimum EBITDA in excess of fixed charge obligations. The Debtor anticipates a minimum of 1.1 ratio, which means that the Debtor needs 10% more cash flow than what it is obligated to pay to the bank, before the Debtor can make other debt payments. The Debtor's projections indicate that it will always exceed the minimum fixed charge coverage ratio and therefore the Debtor anticipates payments will not need to be discretionary and will be made as scheduled.

The second option for Holders of Class 10 Claims is to elect to receive thirty percent (30%) of their Allowed Claim paid in full on the Effective Date in complete satisfaction of their Allowed Claim. If Holders of Allowed Class 10 Claims wish to elect to receive payment of Thirty Percent (30%) of their Claim in full satisfaction of said Claim, they must clearly select such option on their Ballot and timely submit same by the Ballot Deadline.

Pursuant to Bankruptcy Code § 1111(a), a Proof of Claim is deemed filed under Bankruptcy Code § 501 for any Claim that appears in the Debtor's schedules, except for Claims that the Debtor specifically scheduled as disputed, contingent and/or unliquidated. In the case where the Debtor duly scheduled Claims as either disputed, contingent and/or unliquidated, and no Proof of Claim was timely filed by such Claim holder, such scheduled debt shall not be deemed a Claim, and shall not participate in this Plan or receive any dividend on account of such scheduled debt under Class 10 treatment.

The Reorganized Debtor shall be entitled and authorized to immediately pre-pay all the Class 10 Claim Holders in an amount equal to 100% of their respective Allowed Class 10 Claims, with interest, at the Debtor's sole discretion, and any such pre-payment shall be in full and complete satisfaction of its obligations under the Plan, and be a discharge of its obligations to pay any further dividend to Allowed Class 10 Claim holders.

All Allowed Class 10 Claims shall be deemed assigned to the Collateral Trust; in exchange, each Holder of an Allowed Class 10 Claim shall receive a Pro Rata beneficiary's interest in the Collateral Trust, such Pro Rata interest to be based on the Allowed amount of each Class 10 Claim. The payment obligation on account of the Class 10 Claims shall be evidenced by the Class 10 Promissory Note payable to the Collateral Trust and executed by the Reorganized Debtor, who shall be liable for payment of the Class 10 Promissory Note.

The initial principal amount of the Class 10 Promissory Note shall be equal to ~~(i)~~ the total of all Class 10 Claims against the Debtor, except such Class 10 Claims as have been disallowed or otherwise fixed in a lesser amount by a Final Order of the Bankruptcy Court entered before the Effective Date~~, or (ii) such lesser amount as the Bankruptcy Court may designate as a result of a proceeding to estimate Claims pursuant to Bankruptcy Code Section 502(c).~~. The principal

amount of the Class 10 Promissory Note shall be adjusted (the "Adjusted Principal Amount") to reflect (a) any Class 10 Claims that are increased, reduced, or disallowed by a Final Order of the Bankruptcy Court entered after the Effective Date, and (b) any Class 10 Claims the Holders of which elected to have their Class 10 Claims treated in accordance with Class 9 Claims. Likewise, the principal balance of the Class 10 Promissory Note shall be adjusted to reflect principal payments made pursuant to this Plan.

The Class 10 Promissory Note shall provide for interest at the rate of three percent (3.0%) per annum, and shall be paid in quarterly installments (the "Class 10 Quarterly Payments") as follows: (i) the first quarterly payment due date shall be made on the Effective Date, and (ii) each successive quarterly payment due date shall be exactly three months after the immediately preceding payment due date (each, a "Class 10 Quarterly Payment Date").

To the extent any Class 10 Quarterly Payment Date falls on a day that is not a Business Day, the payment to be made on such date shall be made on the next Business Day. The Class 10 Promissory Note may be prepaid without penalty. The Reorganized Debtor shall receive credit for any payments that are excess payments due to adjustments in the principal amount of the Class 10 Promissory Note, with any such credits being applied against the next due Class 10 Quarterly Payment.

The Reorganized Debtor shall satisfy its payment obligations under the Class 10 Promissory Note by making payments directly to holders of Allowed Class 10 Claims, each Claimant to receive a Pro Rata portion of the payment then due under the Class 10 Promissory Note based on the amount of such Claimant's Allowed Claim.

The Reorganized Debtor shall create a Contested Claims Reserve consisting of one hundred percent (100%) of the principal amount of (i) any Class 10 Claims that are, as of the Effective Date, Contested Claims; and (ii) Claims that become Contested Claims by the filing of an objection to such Claims. If a Contested Class 10 Claim becomes Allowed, the Holder of such Class 10 Claim shall be entitled to catch-up distributions from the Contested Claims Reserve beginning on the next Class 10 Quarterly Payment Date; provided, however, that if the Contested Class 10 Claim becomes Allowed after all Class 10 Quarterly Payments have been made, the Holder of such Class 10 Claim shall be entitled to a single catch-up distribution within ten (10) days of entry of a Final Order allowing the Class 10 Claim~~.~~ to be paid in full. If a Contested Class 10 Claim is disallowed (in part or in whole), an amount of the Contested Claims Reserve equal to the disallowed amount shall be released to the Reorganized Debtor.

~~To the extent that the principal amount of the Class 10 Promissory Note and the Contested Claim Reserve are insufficient to pay all Allowed Class 10 Claims, the Reorganized Debtor shall continue to be responsible for paying all Allowed Class 10 Claims.~~

To secure the Reorganized Debtor's obligations under the Class 10 Promissory Note, the Reorganized Debtor shall grant the Collateral Trust Security Interest to the Collateral Trust. The Collateral Trust Security Interest shall be a first priority security interest subordinate only to (a) the security interest held by the New Senior Secured Credit Facility lender; and (b) any purchase-money security interests in leased tangible personal property assets.

The Collateral Trust Security Interest is valid, perfected, enforceable and effective as of the Effective Date, in all of the Debtor's assets and interests except real estate, without any further action by the Collateral Trust and/or the Collateral Trustee and without the necessity of the execution, filing or recordation of any financing statements, security agreements or other documents. Notwithstanding the foregoing, the Collateral Trust and/or the Collateral Trustee shall be authorized, but not required, to file or record financing statements, trademark filings, notices of lien or similar instruments in any jurisdiction, or take any other action in order to validate and perfect such liens and security interests. The Collateral Trust Security Interest shall continue and remain perfected in any collateral that is the subject of any unauthorized transfer of property by the Debtor and/or Reorganized Debtor.

The Collateral Trust shall execute documentation reasonably necessary to effectuate any subordination of security interests authorized by this Plan, the Subordination Agreement, or ordered by the Bankruptcy Court.

An event of default shall occur if the Reorganized Debtor (a) fails to make any regular payment under the Class 10 Promissory Note when such payment is due; (b) fails to remit the proceeds of any of the Collateral Trust's collateral as required by this Plan and as set forth in the Collateral Trust Agreement and the Class 10 Promissory Note; (c) subordinates the Collateral Trust Security Interest in an amount exceeding $40,000,000 without the express written consent of the Collateral Trustee; or (d) sells, disposes of or otherwise compromises the collateral securing the Collateral Trust Security Interest outside the ordinary course of business without the express written consent of the Collateral Trustee. The Collateral Trustee is permitted, in his sole discretion, and subject to any restrictions in the Collateral Trust Agreement, to exercise default remedies in the event one of the above defaults is committed, pursuant to this Plan, the Collateral Trust Agreement or the Class 10 Promissory Note.

12. Class 11 - Unsecured Claim of ~~the~~ FMRI ~~Decommissioning Trust~~, NRC, and ODEQ

Class 11 consists of Debtor's obligation to decommission and remediate a former operations site in Muskogee, Oklahoma, which is contaminated with radiological materials and hazardous chemicals. ~~The site is owned by one of Debtor's wholly owned subsidiaries, FMRI.~~The 2003 Chapter 11 Plan provided for transfer of the Muskogee Site to FMRI, a wholly owned subsidiary of the Debtor. The Debtor just recently discovered an error defect in the Special Warranty Deed transferring the Site to FMRI. As a result, 79.38 acres of the Site is currently titled in the Debtor's name and 10.36 acres of the Site is titled in the name of FMRI. FMRI was created as part of Debtor's earlier 2003 Chapter 11 case, and FMRI holds Nuclear Regulatory Commission ("NRC") license SMB-911, which was originally issued to Fansteel. The license, issued pursuant to the Atomic Energy Act and NRC regulations, requires FMRI to decommission and remediate the site according to an NRC-approved decommissioning plan. The obligation to comply with the NRC license continues to exist.

As part of the 2003 Chapter 11 reorganization, Fansteel agreed through three promissory notes to fund the decommissioning and remediation of the FMRI site. A balloon payment of approximately $17,300,000 was due by December 31, 2013, but was not made. Fansteel currently owes $16,~~711,207~~509,657 on the primary note and $3,636,000 on the secondary note.

The third note is a contingent note that covers any costs above those amounts needed to remediate soils and groundwater.

In addition, a Decommissioning Trust was established. The 2003 Reorganization Plan required Fansteel to pay certain insurance proceeds to the Decommissioning Trust. In November 2010, Fansteel received an insurance settlement involving environmental claims related to the Muskogee Site in the amount of $1,238,680. These funds should have been deposited into the Decommissioning Trust but were instead used for the operation of Fansteel. Accordingly, Debtor continues to be liable to the Decommissioning Trust for $1,238,680.

In its Proof of Claim, the NRC asserts that the Debtor and any reorganized Debtor is liable to comply with mandatory injunctive requirements related to work and financial assurance obligations imposed under the Atomic Energy Act, applicable NRC regulations and the conditions of NRC license SMB-911 because such obligations are not claims under 11 U.S.C. §101(5). In the alternative, NRC's Proof of Claim asserts that the NRC holds a general unsecured claim as a third party beneficiary to the amounts owed by Fansteel to FMRI under the FMRI Primary Note, Secondary Note, Contingent Note, and the right to certain insurance proceeds required to be used to decommission and remediate the Muskogee Site. (Claim 76-1 Part 2).

FMRI also is subject to Oklahoma jurisdiction to remediate chemical contamination that includes ~~a separate TCE plume that has migrated off-site,~~chlorinated solvent as well as ~~the~~ commingled radiological and hazardous chemical contamination in soil and groundwater.~~–~~ In its Proof of Claim, ODEQ asserts that the Debtor and any reorganized Debtor is liable to comply with mandatory injunctive requirements related to work obligations imposed under Title 27A Oklahoma ~~jurisdiction applies even where radiological contamination is below levels required by the NRC License.~~ Statutes § 2-1-101 *et seq.*, because such obligations are not claims under 11 U.S.C. §101(5). In the alternative, ODEQ's Proof of Claim asserts that the ODEQ holds a general unsecured claim as a third party beneficiary to the amounts owed by Fansteel to FMRI under the FMRI Primary Note, Secondary Note, Contingent Note, and the right to certain insurance proceeds required to be used to decommission and remediate the Muskogee Site.

FMRI carries out health and safety activities necessary to ensure the security of the ~~site~~Site and to prevent migration or release of radiological or chemical contamination from the site. FMRI operates a groundwater collection interceptor trench around the down gradient perimeter of the site to capture and treat contaminated shallow groundwater migrating toward the Arkansas River, and a treatment system to treat it. In addition, FMRI discharges treated wastewater to the Arkansas River by authority of OPDES Permit OK0001643. Regular monitoring, reporting and maintenance is required to comply with the permit.~~-~~

The Debtor commits to continuing to decommission and remediate the Muskogee, Oklahoma site, in accordance with ~~a~~NRC licensing requirements and a revised decommissioning plan ~~&~~and protocol approved by those parties interested in decommissioning and remediation of the Muskogee, Oklahoma site, in exchange for complete satisfaction of the pre-petition Class 11 Claim. ~~The Debtor estimates that its immediate commitment will require monthly payments to~~

~~the Decommissioning Trust in the amount of $40,000.00; the same amount it has been paying post-petition.~~

The Debtor estimates that its immediate commitment will require monthly payments to the FMRI for health and safety expenses. In addition, Debtor will continue with the removal of the Work-In Progress on a schedule agreed to by the NRC and Debtor that will be partially funded by the Decommissioning Trust.

Finally, Debtor proposes a revised decommissioning plan and protocol which is anticipated to include three stages. The first stage involves preparing all of the required plans, including summarizing existing data, submitting them to the NRC and the ODEQ modifying the plans and obtaining approval from both the NRC and ODEQ. This first stage is anticipated to take approximately 12-18 months..

The second stage involves preparing a work plan for collecting additional data, and upon approval of the work plan by NRC and ODEQ collecting the necessary data from the field. Collection of the data, including soil, groundwater, radiological scans, etc., is anticipated to take approximately one year to complete once the NRC and OKDEQ has approved the work plan, which includes submission of the final report to the NRC and ODEQ.

The third stage involves developing remedial alternatives for radiological and non-radiological contamination and selection of a preferred remedy for both to be approved by both NRC and ODEQ.

This revised decommissioning plan and protocol assumes typical turnaround time, but does not include NRC or ODEQ costs to review. All three stages are anticipated to be completed by 2022.

13. Class 12 – Allowed Claims Filed by the Pension Benefit Guaranty Corporation Relating to the Wellman Dynamics Corporation Salaried Employees Retirement Plan

Class 12 consists of the Allowed Claims filed by the Pension Benefit Guaranty Corporation ("PBGC") relating to the Wellman Dynamics Corporation Salaried Employees Retirement Plan.

WDC sponsors and maintains a defined benefit pension plan known as the Wellman Dynamics Corporation Salaried Employees' Retirement Plan (the "Pension Plan"). The Pension Plan is covered by Title IV of the Employee Retirement Income Security Act of 1974, as amended 29 U.S.C. §§ 1301-1461 (2012, Supp. II 2014) ("ERISA").

The PBGC is the wholly-owned United States government corporation and agency of the United States created under Title IV of ERISA to administer the federal pension insurance programs and enforce compliance with the provisions of Title IV. PBGC guarantees the payment of certain pension benefits upon termination of a pension plan covered by Title IV.

WDC and all members of its controlled group are obligated to pay the contributions necessary to satisfy the minimum funding standards under sections 412 and 430 of the Internal

Revenue Code ("IRC") and sections 302 and 303 of ERISA. 26 U.S.C. § 412(c)(11), 29 U.S.C. § 1082(c)(11).

The Pension Plan may be terminated only if the statutory requirements of either ERISA section 4041, 29 U.S.C. § 1341 or ERISA section 4042, 29 U.S.C. § 1342, are met. In the event of a termination of the Pension Plan, WDC and all members of its controlled group are jointly and severally liable for the unfunded benefit liabilities of the Pension Plan. *See* 29 U.S.C. § 1362(a). WDC and all members of its controlled group are also jointly and severally liable to PBGC for all unpaid premium obligations owed by WDC on account of the Pension Plan. *See* 29 U.S.C. § 1307.

Class 12 is partially secured by a 2009 mortgage on certain assets of Intercast.

The Debtors have decided to continue and maintain the Pension Plan. They will fund the Pension Plan in accordance with the minimum funding standards under the Internal Revenue Code and ERISA, pay all required PBGC insurance premiums, and continue to administer and operate the Pension Plan in accordance with the terms of the Pension Plan and provisions of ERISA. ~~If~~Since the Pension Plan ~~remains~~will remain ongoing when the Debtors' reorganization plan becomes effective, the ~~Debtors anticipate the claims (or portions thereof)~~PBGC's contingent ~~on Pension Plan termination that were filed by PBGC~~Proof of Claim No. 66 in the ~~Debtors' bankruptcy cases~~amount of $5,538,828.00 will be deemed withdrawn ~~or rendered moot.~~.

The Class 12 Claim is Impaired.

No provision contained herein, the Plan of Reorganization, the Order Confirming the Plan of Reorganization, or section 1141 of the Bankruptcy Code, shall be construed as discharging, releasing or relieving any party, in any capacity, from any liability with respect to the Pension Plan under any law, government policy or regulatory provision. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility against any party as a result of any of provisions for satisfaction, release, injunction, exculpation, and discharge of claims in the Plan of Reorganization, Confirmation Order, Bankruptcy Code, or any other document filed in any of the Debtors' bankruptcy cases.

The Class 12 Claims will be treated and paid through the WDC Plan of Reorganization. Should WDC fail to make any of the WDC Class 14 Claim payments, ~~WMDA~~WDMA and, or, Fansteel shall pay the balance owed.

14. Class 13 - General Unsecured Claim of Wellman Dynamics Corporation

Class 13 consists of the General Unsecured Claim of Wellman Dynamics Corporation against the Debtor. The Debtor owes WDC approximately $32,106,036 in inter-company debt. The Class 13 Claim is Impaired.

The Class 13 Claim shall be satisfied in full by conversion of the Class 13 Claim debt into the equity interests to be given to WDC, resulting in WDC becoming the 100% owner of all the Equity Interest in Fansteel after the Effective Date. The Debtor Fansteel shall become a wholly-owned subsidiary of WDC after the Effective Date.

15. Class 14 - Subordinated Unsecured Claims of Insiders

Class 14 consists of all Allowed Subordinated Unsecured Claims held by an Insider of the Debtor against the Debtor. The Debtor believes IP 3 North America, LLC, Leonard Levie, and Black Advisors are Insiders of the Debtor. Class 14 Claims are Impaired.

The Holders of Class 14 Claims shall receive nothing under the Plan, unless the Debtor provides a 100% dividend to all Holders of Allowed Claims in Classes 1 through 13 inclusive. Notwithstanding the foregoing payment provisions, in the event (1) the Debtor pays a 100% dividend plus interest to all Class 10 Claim holders; and (2) the Debtor has the ability to pay a Dividend to the Holders of Allowed Class 14 Claims, such Dividend shall be subordinated to the Allowed Claims of Classes 1 through 13 under the Plan, such that no payment shall be made on account of any Allowed Class 14 Claim unless and until: (1) the Allowed Claims of Class 10 have been paid in full; and (2) the Debtor is current with respect to its payment obligations to holders of Allowed Claims in Classes 1 through 13.

Subordination of Insider Claims is not required under the Bankruptcy Code; however, the Plan's subordination of such Claims reflects the Debtor's belief that the Claims of other Creditors of the Debtor generally should be paid before the Debtor pays Insiders.

16. Class 15 – Equity Interests

Class 15 consists of the equity interests in the corporate Debtor represented by all of the issued and outstanding shares in the Debtor, as of the Petition Date. The majority of shares of the corporate Debtor are owned by 510 Ocean Drive and Leonard Levie. Class 15 is Impaired. The Class 15 Equity Interests shall be cancelled on the Effective Date. The 100% of Equity Interests in the Reorganized Debtor Fansteel will be held and owned by WDC.

17. Reservation of Rights on Classification Disputes

In the event any Creditor challenges its classification under the Plan, the Debtor reserves the right to seek Court determination of the appropriate classification. Such determination shall not be a condition precedent to confirmation of the Plan and may be effected through the Claims Objection process. Should the Creditor prevail in its classification challenge, such Creditor shall be treated under the Plan as if such Creditor were classified as so determined. In addition, the classification of Claims in specific classes is not an admission of the ultimate validity, enforceability, perfection, or liability of such Claims and the Debtor expressly reserve all rights with respect to any objections to or other litigation on such Claims.

V. SUMMARY OF THE MEANS FOR EFFECTUATING THE PLAN

A. General Overview

After confirmation of the Debtor's Plan, the Reorganized Debtor will continue the same general business activities the Debtor was engaged in both pre- and post-petition, primarily that of operation of an investment casting foundry producing castings primarily for the energy, automotive and other similar markets, with the Reorganized Debtor maintaining its existing business form. The Reorganized Debtor will remain current on all of its post-Confirmation Date

obligations while using profits, retained earnings, liquid estate property, and the proceeds from business operations to treat and retire Creditors' Claims as described above and as they may arise in the future.

The principal vehicle for implementation of the Plan shall be retirement of the TCTM Credit Facility, with it being replaced by the New Senior Secured Credit Facility, secured by the assets of Fansteel, WDC and WDMA. Additionally, the Debtor's exit financing strategy will include New Value Equity Investment Cash for the benefit of all three bankruptcy estates.

Any Unclassified Claims or Classified Claims that are not Allowed as of the Effective Date, but become Allowed Claims pursuant to a Final Order after the Effective Date, shall be promptly paid after the Effective Date and after they have become Allowed Claims by Final Order of the Court as set forth in this Plan.

B. Fansteel Debt Converted to Equity in Wellman Dynamics

Fansteel's inter-company debt of $32,106,036 owed to WDC shall be converted into WDC's 100% equity ownership of Fansteel. All prior equity interests in Fansteel shall be cancelled on the Effective Date.

C. Fansteel Debt to 510 Ocean Drive Converted to Equity in Wellman Dynamics

$4,000,000 of the Class 3 Claim of 510 Ocean Drive shall be converted into a corresponding amount of Equity in Reorganized WDC. The remaining debt of Fansteel owed to the Class 3 Claim Holder shall be subordinated.

D. New Senior Secured Credit Facility

The Debtor shall receive a corresponding share of the New Senior Secured Credit Facility to facilitate meeting its payment obligations under the Plan on the Effective Date. The Debtors have identified The Huntington National Bank ("Huntington Bank") to provide its New Senior Secured Credit Facility. Huntington Bank will provide the Debtors with $30,000,000 in exit financing and for working capital and other general corporate purposes including letters of credit on or before the Effective Date. Attached hereto as Exhibit "AB" and incorporated by reference herein is the February 1523, 2017 ABL Proposed StructureProposal Letter from Huntington Bank (the "Proposal Letter") and Preliminary Term Sheet Digest (the "Term Sheet"). The Debtor maintains that the Proposal Letter and Term Sheet reflectsreflect a bona fide offer already approved by Huntington Bank's loan committee and the Term Sheet will be memorialized in a commitment letter the weekincludes the signature of February 20, 2017 which will include signatures of the Debtor and bank representatives and Mr. Larry Swinney, Huntington Bank's Senior Vice President. The Proposal Letter contemplates payment by the Debtors of an initial payment deposit of $60,000.00 to beginconduct a credit and due diligence. investigation of the Debtors. The Debtors will provide such initial deposit upon execution of the Proposal Letter, but no later than March 3, 2017, as contemplated by the Proposal Letter. The Debtors anticipate that a fully-executed commitment letter from Huntington Bank will be provided prior to the Confirmation Date.

The Term Sheet requires, in addition to the New Value Equity Investment Cash from 510 Ocean Drive, an additional $5 million infusion of cash collateral to secure the New Senior Secured Credit Facility. The Debtor anticipates that this additional $5 million of cash collateral will be provided by 510 Ocean Drive. The Term Sheet further includes a provision for Huntington Bank to recapture 25% of the Debtors' excess cash flow to pay down the real estate loans.

The Term Sheet also incorporates the following fees:

1) Letter of Credit Fees equivalent to the revolving credit interest rate for LIBOR Rate loans plus Huntington Bank's issuance fees;

2) Upfront Fees equal to 1% of the aggregate proposed credit facility, which will be due and payable at closing, unless Huntington Bank issues a commitment letter prior to closing, in which case, 50% of the Upfront Fees will be due upon the issuance of the commitment letter with the remainder due at closing;

3) Unused Facility Fee accruing on the revolving credit facility at .375% per annum on the daily average unused portion of the revolving credit facility, payable monthly in arrears and on the maturity date;

4) Collateral Management and Collateral Evaluation Fee equal to $9,750 per calendar month; and

5) Prepayment Fee of 3% of the aggregate commitment if prepaid within one year from the closing date; 1.5% of the aggregate commitment if prepaid in year two and .75% in year three and 0% thereafter; there is no Prepayment Fee if the Debtors refinance during this period with Huntington Bank.

E. New Value Equity Investment Cash

The Debtor shall receive a corresponding share of the New Value Equity Investment Cash to facilitate meeting its payment obligations under the Plan on the Effective Date.
~~510 Ocean Drive has committed to providing the~~
510 Ocean Drive has executed an Acknowledgment and Agreement to provide the New Value Equity Investment Cash. The Acknowledgment and Agreement provides an acknowledgment by 510 Ocean Drive of its intent and ability to materially support the Plan, including the Bankruptcy Rule 3020(a) Plan provision for a Special Deposit Account prior to confirmation. It further provides that 510 Ocean Drive consents to provide the New Value Equity Investment Cash in an amount no less than $7 million, subject to Huntington Bank's issued commitment to loan the Debtor $30 million, and an absence of material adverse change in the finances and business of the Debtor in the 30 days preceding the funding date.

~~New Value Equity Investment Cash.~~ 510 Ocean Drive is an entity in which Leonard Levie ("Levie") and Brian Cassady used to purchase a debt obligation from the PBGC from the Debtors' first bankruptcy in 2003. The PBGC had a lien against all of the property, plant, and equipment of Intercast. The debt note had a face value that was in excess of the property, plant,

and equipment at Intercast. When the debt note that was purchased by 510 Ocean Drive became due, Fansteel was unable to pay it. As forbearance for the owners of the note not foreclosing the debt on Intercast, 510 Ocean Drive asked for improved security and at that time, a lien was placed against the property in Creston, Iowa~~. Because~~ recorded on April 7, 2014. On September 8, 2015, 510 Ocean Drive subordinated its security interest in all assets of all three Debtors to Fifth Third Bank ~~did not perfect its lien~~including a collateral assignment of 510 Ocean Drive's mortgage interest on the Creston property~~, 510 Ocean Drive became the first and senior secured lien holder on the Creston property.~~ recorded on September 21, 2015. Shortly after 510 Ocean Drive perfected its lien on the Creston property, William ~~Beiber~~Bieber domesticated his lien interest on the Creston property. WDC granted to Fifth Third Bank a mortgage on the Creston property on September 8, 2015, that was recorded on September 21, 2015, the same day as the recording of the subordination agreement and the collateral assignment of mortgage executed by 510 Ocean Drive in favor of Fifth Third Bank. On September 1, 2016, Fifth Third Bank assigned all of its security interests in and ~~became the second secured lien holder on~~liens on the assets of the Debtors, including the Creston property, ~~followed by Fifth Third Bank's interest~~to TCTM.

The Debtors maintain that 510 Ocean Drive is a secured creditor of the Debtors, holding a secured claim in the amount of $6,153,485.23 as of September 13, 2016, with interest accruing at the rate of 8% per annum~~. The~~; and that the debt obligation owed by the Debtors to 510 Ocean Drive is secured by personal property of all three Debtors and a mortgage on certain real estate owned by WDC in Creston, Iowa~~.~~, subject to the subordination in favor of Fifth Third Bank, now TCTM, described in the paragraph above. The Committee disputes these assertions by the Debtors.

The Plan provides for $4,000,000 of 510 Ocean Drive's secured claim to be cancelled and converted into equity in Reorganized Debtor WDC. WDC will hold the equity in Reorganized Debtor Fansteel. The remaining portion of 510 Ocean Drive's secured claim, in the approximate amount of $2,139,713.83, will continue accruing interest at 8% and will be subordinated to the New Senior Secured Credit Facility, Bieber, and the interests of the Collateral Trust and no payments will be made until all of the other Classes are satisfied. Further, Levie's equity interest in Fansteel will be cancelled as of the Effective Date without any payment. The equity of Fansteel is currently owned by Levie, personally and through various trusts by Levie, holding a super-majority. The remaining equity of Fansteel is currently owned by Brian Cassady and unidentified shareholders totaling less than 8% of the total shares outstanding. Attached as Exhibit "~~B~~C" is a list detailing the current shareholders of Fansteel.

In partial consideration of 510 Ocean Drive's ~~commitment~~agreement to provide no less than $7,000,000 in ~~new cash~~New Value Equity Investment Cash to the Reorganized Debtors and agreement to cancellation and subordination of its secured claim and cancellation of its existing equity interests, the Plan provides for a transfer to 510 Ocean Drive of all of the Debtors' rights and interests in certain causes of action against TerraMar Capital and its officers, directors and affiliates related to or in connection with the Non-Disclosure Agreement executed by Fansteel and TerraMar Capital pre-petition, as described in Section "O" below. This assignment of the causes of action against TerraMar to 510 Ocean Drive is beneficial to 510 Ocean Drive as it believes that its members have been harmed by TerraMar~~ and Josh Phillips.~~. TCTM's position

is that neither the Debtors, nor their successors and assigns, are entitled to bring any such causes of action against TerraMar Capital and its officers, directors and affiliates, including TCTM, by virtue of the proposed Order After Hearing Approving Debtor's First Amended Motion for Order Authorizing Final Use of Cash Collateral and Providing Post-Petition Liens (Docket Item No. 238) and the Court's Order dated November 4, 2016 (Docket Item No. 251). The Debtor disagrees with TCTM's position and has filed a Motion for Clarification as to Paragraph 19 of the Cash Collateral Order or in the Alternative Reformation of Paragraph 19 in the Fansteel Bankruptcy Case (Docket No. 609).

~~On~~

Prior to the ~~Effective~~Confirmation Date, 510 Ocean Drive shall deposit the New Value Equity Investment Cash ~~with~~into a Special Deposit Account pursuant to the ~~Reorganized Debtor WDC~~Bankruptcy Rule 3020(a) Plan provision to enable all three Reorganized Debtors to make those Distributions required under each respective Plan. ~~The Cash deposited shall be kept in a special account established for the exclusive purpose of making those Distributions required under all three respective Plans.~~

After the organizational restructuring, 510 Ocean Drive will be the majority shareholder of Reorganized Debtor WDC and Levie will be the majority member of 510 Ocean Drive.

Attached as Exhibit "~~C~~D" is a copy of the 510 Ocean Drive ~~commitment letter~~Acknowledgment and Agreement.

~~E.~~F. Satisfaction of Class 2 TCTM Allowed Secured Claim

The TCTM Allowed Secured Claim shall be paid in full on the Effective Date, pursuant to the treatment provided for Class 2 under the Plan. Upon satisfaction of the TCTM Allowed Secured Claim pursuant to the treatment accorded such Class 2 Claim, all of TCTM's liens, claims and encumbrances shall be released and satisfied.

~~F.~~G. Reorganization of the Debtor's Business Operations

The Debtor has made and is making changes to its business operations that have resulted and will result in substantially more efficient business operations and lower overhead costs. Such changes have caused and will cause reductions in operating expenses, and the Debtor believes that such changes will increase cash flow in the long term. The business projections accompanying the Disclosure Statement and/or this Plan are based on the Debtor's reorganized business operations and further detail the Reorganized Debtor's means for implementation of the Plan.

As discussed in Section "B" above, Fansteel will become a subsidiary of WDC upon the conversion of its inter-company debt owed to WDC into equity. A reasoned analysis of the cause of the company's bankruptcy in 2003 and the current bankruptcy case is that the company performance was not sufficient to meet the financial and funding obligations of FMRI. ~~As such~~With Fansteel as the parent company, it previously relied upon its subsidiaries, including WDC, if it had insufficient funds to meet its costs of operation or to meet its obligations to FMRI, which is why there is inter-company debt owed by Fansteel to WDC.

To prevent this risk of Fansteel obtaining money from its subsidiaries to meet its obligations, the Debtors are reorganizing the business organizational structure with a debt to equity conversion of inter-company debt owed by Fansteel to WDC and moving WDC to the top of the organizational structure, with WDC as the consolidating parent entity. FMRI will ~~become the~~remain a wholly-owned subsidiary of Fansteel and FMRI funding will be provided from a subset of Fansteel EBITDA~~.~~ and not from WDC. With this structure, future WDC earnings will not ~~be required or compelled to~~ leave WDC for the benefit of subsidiary entities relative to FMRI and the continuing environmental cleanup costs to Fansteel.

~~With WDC as the consolidating entity, it has no obligation to fund its subsidiaries. If it did fund its subsidiaries, though, the organizational structure provides that WDC would fund Fansteel and then Fansteel would fund FMRI.~~ As such, this distances FMRI from where the money is being generated through WDC and limits FMRI to ~~a diet of~~payment from Fansteel's EBITDA. Therefore, there is no risk to WDC and rather a reduction of risk instead. The whole reorganization concept is being done to ~~reduce~~eliminate the risk that earnings are drawn from WDC for environmental obligations of Fansteel or otherwise at a rate that would risk another bankruptcy. The Debtors maintain that the benefit of reorganizing the business organizational structure to have WDC on top as the consolidating parent entity is that earnings can stay with WDC, which will benefit from badly needed capital investment that will improve product quality and company profitability.

The potential tax implications of this reorganized business organizational structure are explained in the Tax Analysis below.

The Plans provide for the reorganization of WDMA as part of the reorganization of the Debtors' business operations, even though WDMA has in the past had a negative cash flow. WDMA has under-performed from a lack of attention from the parent company. WDMA holds a substantial portion of TCTM collateral and the Debtors do not intend to sell WDMA until after performance has been improved, a track record of profitability has been established, and the Debtors locate a strategic buyer. Once performance has improved and a track record for profitability has been established, the Debtor believes it is reasonable to assume that a strategic buyer will pay at least the book value of the business, which is approximately $1.5 million in accounts receivable, $4.5 million in inventory, and $1 million in machinery at an orderly liquidation value. It is not feasible to sell WDMA presently as there is too much debt owed to TCTM. The Debtor believes that WDMA has the potential to be high-performing. ~~It~~The Debtor believes it does not need more capital investment, it merely needs management attention. Therefore, the Debtor intends to use the collateral in WDMA as collateral for the New Senior Secured Credit Facility loan to pay off the amount owed to TCTM.

Attached as Exhibit "~~D~~E" is an organizational chart explaining the reorganized business structure.

~~G.~~H. Collateral Trust

Prior to the Effective Date, the Class 10 Promissory Note and the Collateral Trust Agreement shall be (a) executed and delivered to the Collateral Trust, and (b) recorded or filed as deemed necessary to perfect liens. The Collateral Trustee shall have the powers set forth in

the Collateral Trust Agreement and shall hold and administer the Class 10 Promissory Note and the Collateral Trust Security Interest for the benefit of Holders of the Class 10 Claims. The Collateral Trust, through the actions of the Collateral Trustee, shall have the power to (i) execute all appropriate documents and to take legal action on behalf of the Holders of the Class 10 Claims, including actions to enforce the Reorganized Debtor's obligations under the Class 10 Promissory Note, (ii) to distribute proceeds from any liquidation of collateral on a Pro Rata basis to the Holders of the Class 10 Claims based upon the unpaid Allowed Amount of each such Holder's Claim, and (iii) exercise default remedies in accordance with the Plan and any document related to the Plan, including without limitation the Class 10 Promissory Note. The Collateral Trustee shall take actions in accordance with the Collateral Trust Agreement, and the Collateral Trust, through the actions of the Collateral Trustee, shall have the power to execute all appropriate documents and to take legal action on behalf of the Collateral Trust, including actions to enforce the Reorganized Debtor's obligations under the Class 10 Promissory Note and to distribute proceeds from any liquidation of collateral on a Pro Rata basis to Holders of Allowed Class 10 Claims based upon the unpaid Allowed Amount of each such Holders' Claims.

The Reorganized Debtor shall pay reasonable administrative costs incurred by the Collateral Trustee in taking action(s) on behalf of the Holders of the Class 10 Claims, and shall provide the Collateral Trustee with initial capital of $5,000.00 (the "Capital Reserve"). The Capital Reserve may be increased in a reasonable amount upon request by the Collateral Trustee made to the Reorganized Debtor. In the event of a dispute regarding payment of administrative costs incurred by the Collateral Trust or regarding the amount of the Capital Reserve, the dispute shall be resolved by the Bankruptcy Court after notice and a hearing.

~~It is estimated that the unsecured creditors will receive full repayment from the Collateral Trust. The payments from the Collateral Trust are based on a five-year repayment term of 100% of the debt plus 3% per annum of interest. The Debtor will furnish a detailed amortization schedule, which shows that the first four quarterly payments are interest only followed by quarterly payments based on a straight line amortization. The last payment is a balloon payment to pay the balance of principal plus interest. These payments are discretionary in only one instance – the New Senior Secured Credit Facility may require a minimum EBITDA in excess of fixed charge obligations. The Debtor anticipates a minimum of 1.2 ratio, which means that the Debtor needs 20% more cash flow than what it is obligated to pay to the bank, before the Debtor can make other debt payments. The Debtor's projections indicate that it will always exceed the minimum fixed charge coverage ratio and therefore the Debtor anticipates payments will not need to be discretionary and will be made as scheduled.~~

A copy of the proposed Collateral Trust Agreement is attached hereto as Exhibit "~~E~~F".

~~H.~~I. Compliance with Projections

The Reorganized Debtor shall operate its business in material compliance with: (i) the cash expenditures set forth in the projections attached to the Debtor's Court-approved Disclosure Statement; and/or (ii) updates to such projections, which updates shall be implemented as described below. The Reorganized Debtor shall be deemed to be in material compliance with the projections or the updates thereto so long as it neither makes nor suffers a change in its business

as presented in the projections (or in the updates thereto) so as to materially increase the risk to Class 10 Creditors hereunder.

~~I.~~J. Use of Excess Cash

Subject to the foregoing provisions of this Article, and except as otherwise provided by this Plan, any excess Cash in the possession of the Reorganized Debtor will be held in accordance with the Plan and may be used by the Reorganized Debtor in the ordinary course of its business or, in the Reorganized Debtor's discretion, may be used to pre-pay future installments to Holders of Allowed Class 10 Claims.

~~J.~~K. Prepayments

Any prepayment(s) made under this Plan to any Creditor(s) shall satisfy the obligation(s) to make such payment(s) on the date(s) such payment(s) would otherwise be due, shall constitute full performance hereunder to the extent of any such prepayment(s), and may be made without penalty unless otherwise stated herein.

~~K.~~L. Sale, Refinance or Other Disposition of Property

Subject to the Plan's provisions, the Reorganized Debtor shall be authorized to refinance its assets to pay and/or otherwise satisfy in full any and all Allowed Secured or Unsecured Claims, and to enable it to make Plan payments or to enable it to obtain sufficient capital to operate its business. Such authorization extends to, among other property of the Reorganized Debtor, property securing the Reorganized Debtor's obligations to Holders of Claims in Class 10 (subject to the limitations set forth in this Plan and in the Collateral Trust Agreement and the Class 10 Promissory Note). The Plan generally provides that if the Reorganized Debtor sells or refinances assets that secure its obligations to claimants in Classes 10 outside the ordinary course of business, without the express written consent of the Collateral Trustee, then the net proceeds from such sale or refinance will be distributed to such Claim Holders in accordance with the priority of their respective liens, and such liens thereupon shall be released, subject to those subordination provisions incorporated in the Collateral Trust Agreement. Notwithstanding the above, the Reorganized Debtor shall be authorized to borrow money and incur debt in the future with a future senior secured lender, which may provide for the subordination of the Collateral Trust Security Interests in an amount not to exceed $40,000,000.00 to the security interests of the future senior secured lender, to enable it to obtain sufficient capital to operate its business, without distributing the proceeds from such refinance to Holders of Claims in Class 10.

~~L.~~M. Assignment of Causes of Action

In partial consideration for the New Value Equity Investment Cash, to the extent the Debtor has any actual, potential, contingent, unliquidated and/or disputed claims, Causes of Action and/or Choses in Action, against any party that may be liable to the Debtor, or its parent, or any of its affiliates, related to or in connection with that certain Non-Disclosure Agreement executed by and between the Debtor, its parent, and/or any of its affiliates, with TerraMar Capital or its officers, directors, agents, employees, legal or financial advisors, accountants,

financing sources or other professionals, said claims, Causes of Action and/or Choses in Action shall be transferred and assigned to 510 Ocean Drive, as of the Effective Date.

TCTM's position is that neither the Debtors, nor their successors and assigns, are entitled to bring any such causes of action against TerraMar Capital and its officers, directors, agents, employees, legal or financial advisors, accountants, financing sources or other professionals and affiliates, including TCTM, by virtue of the proposed Order After Hearing Approving Debtor's First Amended Motion for Order Authorizing Final Use of Cash Collateral and Providing Post-Petition Liens (Docket Item No. 238) and the Court's Order dated November 4, 2016 (Docket Item No. 251). The Debtor disagrees with TCTM's position and has filed a Motion for Clarification as to Paragraph 19 of the Cash Collateral Order or in the Alternative Reformation of Paragraph 19 in the Fansteel Bankruptcy Case (Docket No. 609).

~~M.~~N. Avoidance Actions

Since the ~~plan~~Plan will be providing for a 100% dividend on all allowed unsecured claims from the New Senior Secured Credit Facility, the New Value Equity Investment Cash and future earnings and profits, the ~~debtor~~Debtor does not believe it will be necessary to pursue Avoidance Actions. The Committee believes there are claims for avoidance of the 510 Ocean Drive liens and reserves its right to bring such claims and other actions under Chapter 5 of the Code and which are otherwise available.

~~N.~~O. Conditions Precedent to Confirmation

~~The~~Among other conditions set forth in the Plan, the Collateral Trust Agreement, the Class 10 Promissory Note, and the Subordination Agreement are all completed and approved as to form and content by the Debtor, the Official Committee and the Collateral Trustee at least seven (7) days before the Confirmation Hearing.

~~O.~~P. Conditions Precedent to Consummation of the Plan

1. Deposit of New Value Equity Investment Cash: In lieu of application of Bankruptcy Rule 3020(a), on or before the Effective Date, 510 Ocean Drive shall deposit the New Value Equity Investment Cash with the Reorganized Debtor WDC to enable all three Reorganized Debtors to make those Distributions required under each respective Plan. The Cash deposited shall be kept in a special account established for the exclusive purpose of making those Distributions required under all three respective Plans.

2. Execution of Ancillary Plan Documents by All Signatories: To the extent any of the three Debtors, Reorganized Debtors, ~~or~~ the Collateral Trustee, or the New Senior Secured Credit Facility are parties to a document that is a condition precedent to confirmation of any of the three Plans, including without limitation the Collateral Trust Agreement, the Class ~~5~~10 Promissory Note, and the Subordination Agreement, they shall all be prepared to execute and exchange the same ~~upon receipt of The New Value Investment Cash, said payment and exchange of executed documents among the parties shall occur simultaneously~~ at or upon the closing on the Effective Date.

~~P.~~Q. Effective Date of the Plan

The Effective Date of the Plan shall be the earlier of (a) the date on which all conditions precedent to consummation of the Plan have been satisfied, as provided for in Section V.P above, or (b) within ten (10) days of the Confirmation Order becoming a Final Order.

VI. BACKGROUND ON DEBTOR AND EVENTS LEADING TO FILING OF THE BANKRUPTCY CASE

-The Debtor maintains as follows:

Fansteel, the parent of WDC and WDMA, is headquartered in Creston Iowa, and between the three companies, employs over 600 people globally. The primary business of Fansteel and its several divisions and wholly-owned subsidiaries, is as a manufacturer of precision-engineered products for the global aerospace, defense, and industrial markets. On a consolidated basis, Fansteel generated approximately $87.4M in annual revenue in FY2015. Fansteel serves its customers through four business units at four locations in the USA and one in Mexico.

Fansteel's profitability is driven by demand for helicopter production and replacement parts. The 2013 US military drawdown in Afghanistan followed by the precipitous drop in oil prices in 2015 caused two sharp declines in demand for helicopter parts. In early 2015, Fansteel's commercial lender, Fifth Third Bank, placed its Fansteel loan agreement in "workout," indicating it did not want to renew the loan following its expiration in June 2016. The previous management team first sought to sell Fansteel and secured a tentative sale agreement for the WDC division to a direct competitor. In 4Q 2015, oil fell to $35 per barrel and the prospective buyer abandoned its purchase offer. At that point, the previous Fansteel management sought a comprehensive refinancing from a consortium of banks. Given comparatively poor financial performance, Fansteel ~~was required to pay substantial due diligence fees to some of the prospective lenders including~~entered into a ~~credit fund named~~letter agreement with TerraMar Capital LLC ("TerraMar"), based in Los Angeles, California~~.~~, pursuant to which TerraMar agreed to assist Fansteel with due diligence for debt financing and Fansteel, in return, agreed to pay TerraMar certain fees and expenses associated with the due diligence work performed by TerraMar. TerraMar signed a Non-Disclosure Agreement~~, and, pursuant to the terms of the letter agreement, performed the due diligence work for Fansteel~~ and invoiced approximately $400,000 of due diligence fees to Fansteel in preparation to offer a loan. In May 2016, the Fansteel Board of Directors rejected the terms of the loan and replaced the Fansteel CEO and COO with a seasoned team of turnaround professionals. The team went to work assessing the business and quickly developed a business plan that projected rapid improvement over six months from a June – July break even (excluding non-reoccurring losses) to a projected $8M cash flow for 2017. On top of the profit improvement created through shared sacrifice by clients, unions, management and the shareholders, the plan proposed to substantially improve liquidity by selling AST in October for $4 million against a collateralized borrowing of $1.5 million. On August 15, 2016, this plan was presented to Fifth Third Bank, who expressed appreciation for the plan, recognizing that the same management team had recently performed similarly for another Fifth Third loan. After the meeting, it was indicated by Fifth Third Bank that a long term forbearance would be considered with the intention of providing the new Fansteel management team sufficient time to implement their turnaround plan and, once proven, to use the demonstrated

higher profitability to secure a new loan agreement from another bank or even perhaps Fifth Third Bank under conventional Asset Based Loan terms and rates.

Fansteel has used Fifth Third Bank to provide asset-based lending since 2005. The most recent agreement was secured against collateral of accounts receivable, and inventory subject to defined borrowing base formula constraints. The existing loan agreement has been modified occasionally. In fact, Fifth Third Bank and Fansteel were negotiating in good faith to settle a 29th amendment to the 2005 loan agreement, providing a 16-month forbearance period designed to provide the new Fansteel management team time to fully implement their defined turnaround plan and to use the improved performance as a basis to seek a new lender.

From August 16, 2016 until September 1, 2016, the Fansteel management team awaited a new term sheet from Fifth Third Bank outlining mutual commitments as a condition to extend the existing loan until the end of 2017. On September 1, 2016, ~~TerraMar contacted Fansteel via email explaining that an entity owned and controlled by TerraMar,~~ Fifth Third Bank and TCTM Financial FS, LLC~~,~~ notified Fansteel, WDC, WDMA and 510 Ocean Drive that Fifth Third Bank had ~~purchased~~assigned all of its rights under the loan ~~note from Fifth Third Bank and were requesting Fansteel to sign a series of~~ agreements ~~permitting TerraMar access to collections of paid invoices~~to TCTM. Fifth Third Bank and TCTM also advised Debtors that a replacement Deposit Account Control Agreement, as required under the existing loan agreements, must be signed with Fifth Third Bank, as the depository bank, and TCTM, as the secured party, in order to facilitate any credit extensions to ~~control future disbursements for working capital requirements~~the Debtors. Concurrently, the independent Chief Restructuring Officer (CRO) hired by Fansteel at the request of Fifth Third Bank also emailed ~~an emphatic message advising~~ Fansteel ~~to~~requesting that it recognize the new owner of the loan and ~~to~~ sign the ~~proposed new agreements.~~Deposit Account Control Agreement. Subsequently, Fansteel's CEO received a phone call from ~~Joshua Philips, Managing Partner~~a representative of ~~TerraMar~~TCTM. During the call, ~~Mr. Philips~~a proposal to provide financing to the business on an interim basis was outlined ~~a sequence of events whereby he wished~~. A few days later, TCTM submitted a proposed 29th amendment to ~~see Fansteel agree to a two-week forbearance~~the loan agreement, in a form very similar to the prior amendments entered into between Fifth Third Bank and Fansteel. Given each of the notes under the existing loan agreement was scheduled to mature in accordance with ~~the new owner of the debt note.~~their terms on September 9, 2016, it was necessary to amend and extend them promptly. Under ~~his plan, that two-week period~~the proposed amendment, the Debtors would be ~~used~~able to hire both ~~bankruptcy~~legal counsel and a new CRO in preparation to enter ~~bankruptcy in Delaware with the intention to request a quick auction~~a reorganization proceeding and TCTM would consider debtor-in-possession financing and possibly serve as a stalking horse bidder in a sale pursuant to Bankruptcy Code Section 363~~. That way, at the auction, TerraMar would have the option to "credit bid" the value of its recently purchased debt note in order to buy all the assets of Fansteel, leaving all other liabilities behind. Mr. Philips concluded by saying he expected the clients of Fansteel would be impressed to see a "before" and "after" list of liabilities because it would indicate a financially stable supplier~~.

The Debtors did not sign the replacement Deposit Account Control Agreement, as required under the existing loan agreement, nor did they sign the 29th amendment to the loan agreement. Each of the notes matured on September 9, 2016 and was in default. The Board of

Directors of Fansteel had serious objections to the ~~plan~~proposal outlined by ~~TerraMar~~TCTM. Given their confidence in the new management's already defined, initiated, and largely implemented turnaround plan, the Board did not ~~see justice, or the necessity in wiping out creditors as a precondition to company survival. Cognizant of this perspective and aware of the CEO's duty to represent the interests of all creditors during this zone of insolvency, the~~agree with TCTM's loan documents. The Board of Directors directed and authorized the CEO to retain the well-respected expertise of Ronald Reuter as Chief Restructuring Officer to complement and accelerate Fansteel's performance improvement plan. With this preparation in place, Fansteel, WDC and WDMA filed bankruptcy cases for relief under Chapter 11 ~~so that it can~~on September 13, 2016, with the hope they could propose an "earn-out" plan of reorganization that will pay a 100% dividend to all unsecured creditors and give the equity security holders an opportunity to retain their investments ~~in the company~~.

VII. DEBTOR'S PRIOR ATTEMPTS TO OBTAIN FINANCING

The Debtor maintains as follows:

In May 2016, Leonard Levie purchased the minority shares held by Kurt Zamec in order to achieve supermajority control of Fansteel. At that juncture Mr. Levie was able to assume the role of activist investor; he appointed a new CEO and commissioned a cross functional team to rapidly assess every aspect of the business in order to define a restructuring plan outside of bankruptcy. One important precondition of these actions was the expiration of Fansteel's general line of credit issued by Fifth Third Bank. The line was initiated in 2005 and expired in June 2016. Fansteel had been unsuccessful in renewing its line of credit with Fifth Third Bank or in establishing a replacement line of credit with any other conventional bank. Among the many reasons for this difficulty was a trend of diminishing EBITDA generation within Fansteel and the accumulation of total debt. Over the course of 2015- 2016, Fansteel had employed professional banking advisors (Concorde Financial Advisors LLC) to solicit loans from prospective new banks. Over 50 prospective lenders were solicited and in the end, few deemed the risk acceptable and none of the tentative offers proposed were viewed as commercially reasonable by the board of Fansteel.

VIII. ASSETS, LIABILITIES & FINANCIAL STATUS OF THE DEBTOR

When the Bankruptcy Case was filed, the Debtor filed extensive and comprehensive schedules of its assets and debts, some of which were amended post-petition, along with detailed statements of the Debtor's financial affairs. The Debtor's petition, schedules and statements, and the amendments thereto, are public records and available for examination through the Court's CM/ECF and PACER systems. True and exact copies will also be provided at no cost by fax, email or hard copy by contacting the Debtor's General Reorganization Counsel and requesting same.

After the Petition Date, the Debtor also prepared and filed initial financial statements and records for various pre-petition periods, and has also filed detailed and comprehensive monthly reports of operations. The monthly reports of operations included balance sheets, profit and loss statements, cash receipts and disbursements, check registers and bank statements. These too are public records and available for examination through the Court's CM/ECF and PACER systems.

True and exact copies will also be provided at no cost by fax, email or hard copy by contacting the Debtor's General Reorganization Counsel and requesting same.

YOU ARE ADVISED TO CONSULT WITH YOUR ACCOUNTANT OR FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THE FINANCIAL STATEMENTS OR MONTHLY REPORTS OF OPERATION.

IX. LABOR/UNION

The Debtor is in a contract with the GMP that is open for re-negotiation with new terms in effect April 1, 2017. The Debtor is in constructive dialogue with the union and it is management's intention to secure an agreement where labor shares 20% of actual healthcare expense versus current 10% and where future pay increases are funded by formula driven gain sharing rather than a fixed hourly wage increase. Although the outcome of upcoming negotiations are uncertain, management believes the workforce will work constructively to reset an agreement to more closely align worker interest with the long term economic health of the business.

X. LIQUIDATION ANALYSIS

Another confirmation requirement is the "Best Interest Test," which requires a liquidation analysis. Under the Best Interest Test, if a Creditor holds an Allowed Claim in an Impaired Class, and that Creditor does not vote to accept the Plan, then that Creditor must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 Trustee. Secured Creditors are paid first from the sales proceeds of property and assets in which the Secured Creditor has a lien. Administrative Expense Claims are paid next. Unsecured Creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured Creditors with the same priority share in proportion to the amount of their Allowed Unsecured Claims. Finally, Interest Holders receive the balance that remains after all Creditors are paid, if any.

For the Court to be able to confirm this Plan, the Court must find that all Creditors who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a hypothetical Chapter 7 liquidation. The arguments the Debtor would make that the Debtor's Plan meets the best interest test, is premised primarily on one fact: Creditors will be paid in full over time, whereas in a hypothetical Chapter 7 case, unsecured creditors would receive little to no Distribution. Based on this fact, the Plan Proponents maintain that this requirement is met for the following reasons.

On the Effective Date, there will be sufficient Cash on hand from the new Senior Secured Credit Facility and the New Value Equity Investment Cash to pay those Claims that must be paid on the Effective Date. ~~The~~The Debtor maintains that the projections of future income and expenses show that the Reorganized Debtor will have sufficient income from operations to pay those additional Claims provided for under the Plan.

Based on the above, the Debtor believes the proposed Plan is more likely to result in more money for Unsecured Creditors, and faster, compared to a similar Chapter 7 liquidation at this time. Attached hereto as Exhibit "~~F~~G" and incorporated by reference herein, is the Debtor's liquidation analysis.

XI. FEASIBILITY

Another requirement for confirmation involves the feasibility of the Plan. This means that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successors to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Debtor will have enough Cash on Hand on or about the Effective Date of the Plan to pay all the Allowed Claims which are entitled to be paid on such date. The Plan Proponents maintain that this aspect of feasibility will be satisfied. Based on the actual amount of Cash on hand, the Debtor believes there will be enough to pay all Allowed Unclassified and Classified Claims which are entitled to be paid on the Effective Date.

The second aspect of feasibility considers whether the Proponent will have enough Cash over the life of the Plan to make the required Plan payments. Attached hereto as Exhibit "~~G~~H" and incorporated by reference herein are the Debtor's projections of future income and expenses in support of the feasibility of the Debtor's Plan.

XII. MANAGEMENT AND COMPENSATION AND POST-CONFIRMATION GOVERNANCE

After the Effective Date, management of the Reorganized Debtor will be conducted by substantially the same officers and managers as before the Effective Date, which is substantially the same as it was on the Petition Date, with substantially the same compensation arrangements as before the Effective Date.

Below are the current directors and officers of the Debtor WDC:

Name	Position	Authorized Shares	Issued	Par	Directors	Current Salary
Jim Mahoney	CEO				Brian Cassady	
Robert Compernolle	Secretary				Leonard M. Levie	

The directors of Reorganized Debtor WDC will be Leonard Levie and Brian Cassady. It is anticipated that Leonard Levie will control at least 90% of the Reorganized Debtor WDC on the Effective Date and Brian Cassady will control less than 10% on the Effective Date. The officers will be as follows: Jim Mahoney as CEO; Robert Compernolle as Controller; and Danette Grim as President.

The directors and officers of Reorganized Fansteel will be Jim Mahoney and Robert Compernolle.

XIII. UNITED STATES TRUSTEE SYSTEM FUND FEES

A fee is required by the provisions of Title 28 United States Code § 1930(a)(6), to be paid quarterly to the United States Trustee by any Debtor in a Chapter 11 Case. The amount of the fee is based on a Debtor's disbursements for the preceding quarter. A Debtor's obligation to pay the fee continues after confirmation and until the Chapter 11 Case is fully administered and closed.

On the Effective Date of the Plan, the Debtor shall be current with all quarterly fees due as of that date. Any delinquent fees will be paid in full within ten (10) days of the Effective Date of the Plan. Quarterly fees will be paid every calendar quarter thereafter, as a first priority under the Plan until the case is closed.

XIV. TAX ANALYSIS

The Debtor will not seek a ruling from the Internal Revenue Service prior to the Effective Date with respect to any of the tax aspects of the Plan.

ANY PERSON CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN IS STRONGLY URGED TO CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS TO DETERMINE HOW THE PLAN MAY AFFECT THEIR FEDERAL, STATE, LOCAL AND FOREIGN TAX LIABILITY. The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers about possible tax issues the Plan may present to the Debtor. The Plan Proponents CAN NOT and DO NOT represent that the tax consequences contained below are the only tax consequences of the Plan, because the tax code embodies many complicated rules which make it difficult to completely and accurately state all of the tax implications of any action or transaction.

A. Tax Impact on the Debtor

The Debtor's parent, Fansteel, has incurred Net Operating Losses ("NOL") of $8,660,681. Fansteel anticipates that the NOL will increase as a result of calendar year 2016 losses. The Debtor believes that the reorganization concept will preserve the NOL because the ultimate beneficial owner of the consolidated company will not change. This view has been confirmed by independent advisors and is currently the subject of a detailed study by the Debtor's duly-employed tax advisor. The Debtor's feasibility projections take into account an NOL benefit, however, dispute of the NOL is not expected to prevent the Debtor from meeting fixed charge debt obligations to the New Senior Secured Credit Facility nor to creditors.

B. Tax Impact on Creditors

The Debtor is unaware of any adverse tax consequences of the Plan to Creditors. It is not necessary or practical to present a detailed explanation of the federal income tax aspects of the Plan or the related bankruptcy tax matters involved in Bankruptcy Cases. The tax consequences resulting from the Plan to each individual Creditor should not vary significantly from the past tax consequences realized by each individual Creditor. To the extent that the tax consequences do

vary for individual Creditors, each one is urged to seek advice from their own counsel or tax advisor with respect to the federal income tax consequences resulting from Confirmation of the Plan.

The Debtor will withhold all amounts required by law to be withheld from payments to holders of Allowed Claims. In addition, such holders may be required to provide certain tax information to the Debtor as a condition of receiving Distributions under the Plan. The Debtor will comply with all applicable reporting requirements of the Internal Revenue Code of 1986, as amended.

XV. RISKS TO CREDITORS UNDER THE PLAN

Creditors will be paid under the Plan from the Cash on hand, -and revenue generated from future operations.

There ~~is one major risk~~are risks to creditors not being paid. ~~The~~One risk is that the Reorganized Debtor's future operations and corresponding income and expenses will not substantially match the Debtor's projections of future income and expenses, due to, among other risks, market conditions outside of the Debtor's control. The Debtor is confident that the risk above is manageable and that the Debtor and Reorganized Debtor will be able to consummate the Plan and pay Creditors in full.

~~There are two principal risks to the feasibility of the Plan, the first~~

Other risks include there being sufficient commercial bank lending and the second being enough fresh investment capital to supplement a new bank loan. With respect to a new commercial bank, the Debtor has received a detailed term sheet from Huntington Bank that outlines sufficient lending to effectuate the plan. ~~The term sheet will be followed the week of February 20, 2017 with an executed commitment letter. The second major risk is investment capital. 510 Ocean Drive is willing to invest a fresh $7 million of investment capital~~ However, the term sheet is not a binding commitment to lend and there is a potential risk that the Debtor will not receive a binding commitment. The Debtors do, however, anticipate a fully-executed commitment letter from Huntington Bank will be provided prior to the Confirmation Date. If the Debtors do not receive such commitment by the Confirmation Date or cannot fulfill the terms of the commitment received, this could render the Debtors' Plans un-confirmable or constitute a material impediment to the Debtors confirming their Plans. In addition, there is a potential risk to creditors that the amount stated on the Huntington Bank Term Sheet will not be the actual amount loaned to the Debtors. Insufficient financing could materially impact the feasibility of the Plan. Among other things, the Huntington Bank term sheet requires an additional infusion of $5 million of cash collateral. This cash collateral provides the necessary liquidity and security for Huntington Bank to lend at an amount required under the Plan. The Debtor anticipates that 510 Ocean Drive will provide the $5 million cash collateral infusion. Further, the term sheet's provision regarding recapture of 25% of the Debtors' excess cash flow could impact the Debtors' ability to make quarterly payments to unsecured creditors under the Plan.

The second major risk is investment capital. 510 Ocean Drive has agreed to invest no less than $7 million of New Value Equity Investment Cash, as stated in its Objection to Joint Motion for Order Approving Stipulation Relating to "Challenge Rights" at Docket Item 466 in the Fansteel Bankruptcy Case. ~~If~~ and in the Acknowledgment and Agreement attached hereto as Exhibit D. There is a potential risk to creditors that 510 Ocean Drive may not provide the

necessary amount above the $7,000,000 to allow the Debtors to fully fund their Plans. However, if 510 Ocean Drive determines more capital is required or that it prefers to invest less, it has a number of junior investors available to participate as additional members in 510 Ocean Drive.

Additional risks associated with feasibility of the Plan relate to whether the Debtor is able to reach consensual treatment of debts for the following major creditors/interested parties: (1) NRC and the state of Oklahoma; (2) William Bieber; (3) Unsecured Creditors; (4) PBGC; and (5) each of the three active union pension funds. Each of these obligations are being addressed by a good faith active engagement focused on providing the best available treatment that would be feasible in context of management's Plan.

XVI. DEFAULT PROVISIONS

The following shall be events of default under the Plan:

a) The failure to make a Distribution on account of an Allowed Claim under the Plan; provided, however, that no default shall be deemed to have occurred if such missed payment is made within thirty (30) days of the date of the missed payment.

b) Provided no agreement exists to extend or modify the terms of any agreement between the Reorganized Debtor and third party vendors or creditors, failure of the Reorganized Debtor to pay any post-confirmation expenses, including but not limited to, taxes, fees, expenses to whom the Reorganized Debtor becomes obligated after the Effective Date.

c) The Reorganized Debtor's failure to perform any provision of the Plan resulting in nonmonetary defaults under the Plan; provided, however, that no nonmonetary default shall be deemed to have occurred if such default is cured within forty-five (45) days after written notice of such nonmonetary default has been provided the Reorganized Debtor and its General Reorganization Counsel. All such notices hereunder shall be made both by facsimile and U.S. Mail, first class postage prepaid. Notice shall be deemed complete when transmission of the facsimile is completed.

As of the Confirmation Date, any defaults by the Debtor under any non-bankruptcy law or agreement, shall be deemed cured, and notice of default or sale recorded by any Creditor prior to the Confirmation Date shall be deemed null, void and have no further force or effect.

XVII. EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge and Release of Claims

The Debtor maintains as follows:

Upon the Effective Date of the Plan, the Debtor shall receive the broadest discharge possible under Bankruptcy Code Section 1141(d)(1), limited as applicable by the provisions of Bankruptcy Code Section 1141(d)(6). More particularly, and subject to the preceding sentence, Confirmation of the Plan shall discharge the Debtor from any Claim or debt that arose before the Confirmation Date and any debt of a kind specified in Bankruptcy Code Sections 502(g), (h) or

(i), whether or not (i) a Proof of Claim based on such debt is filed or deemed filed under Bankruptcy Code Section 501, (ii) such Claim is allowed under Bankruptcy Code Section 502, or (iii) the holder of such Claim has accepted the Plan.

Pursuant to Bankruptcy Code Section 524, the discharge (i) voids any judgment at any time obtained to the extent that such judgment is a determination of the personal or corporate liability of the Debtor with respect to any debt discharged under Bankruptcy Code Section 1141, whether or not discharge of such debt is waived, and (ii) operates as an injunction against the commencement or continuation of an action, employment of process, or an act to collect, recover or offset any such debt as a personal liability of the Debtor, whether or not discharge of such debt is waived.

Notwithstanding the foregoing, confirmation of the Plan will not discharge the Reorganized Debtor (a) from any debt of a kind specified in Bankruptcy Code Sections 523(a)(2)(A) or (2)(B) that is owed to a domestic governmental unit; (b) from a debt for a tax or customs duty with respect to which the Reorganized Debtor made a fraudulent return, or (c) willfully attempted in any manner to evade or to defeat such tax or such customs duty; or (d) from its obligations under the Plan, Confirmation Order or documents executed or entered into in relation to the Plan or Confirmation Order.

B. Injunction

The Debtor maintains as follows:

Except as otherwise expressly provided for in the Plan or the Confirmation Order, all persons who have held, hold, or may hold Claims against the Debtor, are permanently enjoined (a) from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim against the Debtor and the Reorganized Debtor; (b) from the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtor and the Reorganized Debtor, and its property; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Debtor and the Reorganized Debtor, or its property with respect to such Claim, and (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtor, or its property with respect to any such Claim; provided, however, that such injunction shall not enjoin the Collateral Trustee (or the beneficiaries of the Collateral Trust) from exercising their respective rights and remedies under the Plan, Collateral Trust Agreement, as applicable.

C. Exoneration and Reliance

The Debtor maintains as follows:

Provided that the respective affiliates, officers, directors, shareholders, members, partners, representatives, attorneys, financial advisors, and agents of the Debtor, and the Official Committee act in good faith, they shall not be liable to any claimant, Interest Holder, or other party with respect to any action, forbearance from action, decision, or exercise of discretion taken during the period from the Petition Date to the Effective Date in connection with: (a) the operation of the Debtor; (b) the proposal or implementation of any of the transactions provided

for, or contemplated in this Plan; or (c) the administration of this Plan or the assets and property to be distributed pursuant to this Plan, other than for willful misconduct or gross negligence. The Debtor, and the Official Committee and their respective affiliates, officers, directors, shareholders, members, partners, representatives, attorneys, financial advisors, and agents may rely upon the opinions of counsel, certified public accountants and other experts or professionals employed by the Debtor, and such reliance shall conclusively establish good faith. In any action, suit or proceeding by any Creditor or other party in interest contesting any action by, or non-action of, the Debtor, or its respective affiliates, officers, directors, shareholders, members, partners, representatives, attorneys, financial advisors, and agents as not being in good faith, the reasonable attorneys' fees and costs of the prevailing party shall be paid by the losing party.

D. Binding Effect

The provisions of the Plan, the Confirmation Order and any associated findings of fact or conclusions of law shall bind the Debtor, any entity acquiring property under the Plan and any Creditor of the Debtor, whether or not the Claim of such Creditor is Impaired under the Plan and whether or not such Creditor has accepted the Plan.

E. Vesting of Property

Confirmation of the Plan, vests all of the property of the Debtor's Estate, including Causes of Action, in the Reorganized Debtor. As of the Effective Date, the assets of the Debtor dealt with under the Plan shall be free and clear from any and all Claims or the Holders of Claims, except as specifically provided otherwise in the Plan or the Confirmation Order. On the Confirmation Date, the Reorganized Debtor shall be entitled to operate and conduct its affairs without further order of the Court and to use, acquire and distribute any of its property free of any restrictions of the Bankruptcy Code or the Court, except as specifically provided otherwise in the Plan or Confirmation Order. The terms of the Plan shall supersede the terms of all prior orders entered by the Court in the Bankruptcy Case and the terms of all prior stipulations and other agreements entered into by the Debtor with other parties in interest, except as specifically recognized in the Plan or the Confirmation Order.

F. Modification and/or Amendment of the Plan

The Plan Proponents may modify the Plan at any time before Confirmation. However, the Court may require a new Disclosure Statement and/or re-voting on the Plan.

The Plan may be modified by the Reorganized Debtor at any time after the Confirmation Date, provided that such modification meets the requirements of the Bankruptcy Code and is not inconsistent with the provisions of the Plan. The Plan may be modified or amended after Confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

The Debtor and the Reorganized Debtor may, with the approval of the Court, and so long as it does not materially or adversely affect the interests of Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan, or in the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

G. Revocation of an Order Confirming the Plan
~~G.~~

Pursuant to Bankruptcy Code Section 1144, on request of a party in interest at any time before 180 days after the Confirmation Order becomes a Final Order, and after notice and a hearing, the Court may revoke the Confirmation Order only if such order was procured by fraud.

H. Post-Confirmation Status Report

Within ninety (90) days of the Confirmation Order, the Reorganized Debtor shall file a status report with the Court substantially in the form of the U.S. Trustee's Chapter 11 Post Confirmation Quarterly Report (UST-3 Post Confirmation Report), explaining what progress has been made toward consummation of the Plan. The status report shall be served on the United States Trustee and those parties who have requested special notice. Further status reports shall be filed every ninety (90) days and served on the same entities, until entry of a Final Decree.

I. Final Decree

Within thirty (30) days after Confirmation, or once the bankruptcy estate of Fansteel has been fully administered pursuant to Bankruptcy Rule 3022 and applicable case law, the Plan Proponents, or such other parties as the Court may designate in the Confirmation Order, shall file a final report and motion with the Court to obtain a final decree to close the case.

J. Effect on Claims and Interests

A Creditor that has previously accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan, as modified, unless, within the time fixed by the Court, such Creditor elects in writing to change his/her/its previous acceptance or rejection.

K. Termination of the Official Committee

On the Effective Date, the Official Committee shall dissolve and the members of the Official Committee shall be released and discharged from all rights and duties arising from or related to the Bankruptcy Case. On the Effective Date, all Claims or Causes of Action, if any, of the Debtor or Reorganized Debtor against any member of the Official Committee, and any officer, director, employee, or agent of an Official Committee member shall be compromised, settled, and released in consideration of the terms of this Plan. As of the date hereof, the Debtor is not aware of any such claims.

L. Bar Date for Administrative Expense Claims.

All Non-Governmental Administrative Expense Claimants, including Professional Persons, shall file motions for allowance of their Administrative Expense Claims not later than 30 days after the Confirmation Date or such Administrative Expense Claims shall be disallowed and forever barred.

Any Creditor or party in interest having any Claim or Cause of Action against the Debtor, or against any Professional Persons relating to any actions or inactions in regard to the Bankruptcy Case, must pursue such Claim or Cause of Action by the commencement of an adversary proceeding within 30 days after Confirmation of the Plan, or such Claim or Cause of Action shall be forever barred and released. Nothing in this Section shall be construed to affect the Bar Date for filing pre-petition Claims against the Debtor.

The Office of the United States Trustee shall not be obligated to file any Proof of Claim for either pre-confirmation or post-confirmation fees owed by the Debtor for and on account of the U.S. Trustee Quarterly Fees.

M. Retained Bankruptcy Court Jurisdiction

The Court shall retain jurisdiction over the Bankruptcy Case subsequent to the Confirmation Date to the fullest extent permitted under Section 1334 of Title 28 of the United States Code, including but not limited to, the following:

1) To determine any requests for subordination pursuant to the Plan and Bankruptcy Code Section 510, whether as part of an objection to Claim or otherwise;

2) To determine any motion for the sale of the Debtor's property or to compel reconveyance of a lien against or interest in the Debtor's property upon the payment, in full, of a Claim secured under the Plan;

3) To determine any and all objections to the allowance of Claims, including the objections to the classification of any Claim, and including, on an appropriate motion pursuant to Bankruptcy Rule 3008, reconsidering Claims that have been allowed or disallowed prior to the Confirmation Date;

4) To determine any and all applications of Professional Persons, and any other fees and expenses authorized to be paid or reimbursed in accordance with the Bankruptcy Code or the Plan;

5) To determine any and all pending applications for the assumption or rejection of executory contracts, or for the rejection or assumption and assignment, as the case may be, of unexpired leases and executory contracts to which the Debtor is a party, or with respect to which it may be liable, and to hear and determine, and if need be, to liquidate any and all Claims arising therefrom;

6) To hear and determine any and all actions initiated by the Debtor or the Reorganized Debtor to collect, realize upon, reduce to judgment, or otherwise liquidate any Causes of Action of the Debtor or the Reorganized Debtor;

7) To determine any and all applications, motions, adversary proceedings and contested or litigated matters, whether pending before the Court on the Confirmation Date, or filed or instituted after the Confirmation Date, including, without limitation, proceedings under the Bankruptcy Code or other applicable law, seeking to avoid and recover any transfer of an interest of the Debtor, and property or obligations incurred

by the Debtor, or to exercise any rights pursuant to Bankruptcy Code Sections 544-550;

8) To modify the Plan or Disclosure Statement, to remedy any defect or omission, or reconcile any inconsistency in an the order of the Court, including the Confirmation Order, the Plan or the Disclosure Statement, in such manner as may be necessary to carry out the purposes and effects of the Plan;

9) To determine disputes regarding title of the property claimed to be property of the Debtor whether as Debtor or Debtor in Possession;

10) To ensure that the Distributions to holders of Claims are accomplished in accordance with the provisions of the Plan;

11) To hear and determine any enforcement actions brought by the Collateral Trustee (or a beneficiary of the Collateral Trust) pursuant to the Collateral Trust Agreement;

12) To liquidate or estimate any undetermined Claim or Interest;

13) To enter such orders as may be necessary to consummate and effectuate the operative provisions of the Plan, including actions to enjoin enforcement of Claims inconsistent with the terms of the Plan;

14) To hear any other matter not inconsistent with Chapter 11 of the Bankruptcy Code;

15) To enter a final decree closing the Bankruptcy Case;

16) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated; and

17) To determine such other matters as may arise in connection with the Plan, the Disclosure Statement or the Confirmation Order.

If the Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of the Bankruptcy Case, this post-confirmation jurisdiction section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

XVIII. CONCLUSION AND RECOMMENDATION

This Disclosure Statement has been presented for the purpose of enabling Creditors to make an informed judgment to accept or reject the Plan. Creditors are urged to read the Plan in full and consult with their counsel if questions arise.

Notwithstanding any inconsistencies between this Disclosure Statement and the Plan, the terms and conditions of the Plan shall control the treatment of Creditors and the amounts of any Distributions under the Plan.

The Debtor believes that the text of this Disclosure Statement, its Exhibits, and the Plan itself, as incorporated herein, demonstrate that the Plan will provide the greatest amount of funds for the payment of the legitimate Claims of Creditors.

The Debtor strongly urges all Creditors to vote to accept the Plan. You are urged to complete the enclosed ballot and return it immediately in accordance with the instructions above.

DATED: March 6, 2017

Respectfully submitted,

Fansteel, Inc.

By: */s/ James Mahoney*
It's Chief Executive Officer

Prepared by:
Jeffrey D. Goetz, Esq., IS# 9999366
Krystal R. Mikkilineni, Esq., IS# 9999933
Bradshaw, Fowler, Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, IA 50309-8004
515/246-5817
515/246-5808 FAX
goetz.jeffrey@bradshawlaw.com

General Reorganization Counsel for
Debtor, Debtor in Possession and Plan Proponent