

Part II Organizational Action (continued)

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

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See attachment.

Multiple horizontal lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Multiple horizontal lines for providing other necessary information for the adjustment.

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

Sign Here

Signature ▶ Scott Zahorchak Date ▶ 11/14/2017

Print your name ▶ Scott Zahorchak Title ▶ Vice President - Tax

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

Attachment to Form 8937 – Report of Organizational Actions Affecting Basis of Securities

Arconic, Inc. (NYSE: ARNC)
EIN: 25-0317820

Part I, Box 10: CUSIP number

03965L100: Common Stock

03965L308: Mandatory Convertible Preferred Stock

Part II, Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

Effective October 1, 2017, Arconic, Inc.'s ("Arconic") outstanding 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share ("Preferred Stock", or "Preferred Shares") automatically converted into shares ("Common Shares") of Arconic common stock ("Common Stock"). The rate of conversion was 15.6996 Common Shares per share of Preferred Stock, or 1.56996 Common Shares per depositary share, which depositary share represents a one-tenth interest in a Preferred Share ("Depositary Share"). In lieu of fractional shares of Common Stock, a holder received cash at a rate of \$26.3086 per share of Common Stock.

Part II, Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis

A holder's tax basis in Common Stock received upon conversion of Depositary Shares or Preferred Shares equals the holder's basis in such Depositary Shares or Preferred Shares under the rules applicable to recapitalizations, reduced by the portion of basis allocable to the cash the holder receives in lieu of a fractional share of Common Stock.

The basis allocable to the cash that a holder received in lieu of a fractional share of Common Stock is the same portion of the holder's basis that would be allocated to the fractional share if the holder received a fractional share. The following is an illustrative example of the manner in which a holder would allocate its basis among the Common Shares received upon conversion:

	Depositary Shares	Hypothetical Common Shares	Actual Common (Whole) Shares	Fractional Common Shares
Share	100	156.996	156	.996
Basis	\$100	\$100	$\$99.3656 = \$100 \times \frac{156}{156.996}$	$\$0.6344 = \$100 \times \frac{.996}{156.996}$
Cash	—	—	—	$\$26.2034 = \$26.3086 \times .996$

Assume that, prior to the conversion, a holder held 100 Depositary Shares with an aggregate basis in those shares of \$100 (\$1 per Depositary Share). Given a conversion rate of 1.56996 Common Shares per Depositary Share, the holder's 100 Depositary Shares would convert into 156.996 Common Shares. The holder would therefore receive 156 Common Shares and cash in lieu of its fractional share (here, in lieu of the remaining 0.996 of one Common Share), or \$26.2034 (the same fraction, 0.996, multiplied by the conversion rate of \$26.3086 per Common Share).

The holder would then allocate its original basis of \$100 as follows: Each Common Share received upon conversion would be allocated a basis of \$0.637 (the aggregate original basis divided by the number of Common Shares due under the conversion ratio, here 100/156.996), including, ratably, the fractional share in lieu of which the holder received cash. In this case, the holder would allocate its fractional share \$0.6344 of basis (the new basis in each share, multiplied by the fraction of a Common Share that the fractional share represented, or $\$0.637 \times 0.996$). The remaining basis would be allocated ratably among the Common Shares actually received (an aggregate basis in its 156 Common Shares of \$99.3656, or \$0.637 in each of its 156 Common Shares).

Part II, Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

See above, Line 15.

Part II, Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

302(a)
354(a)
358(a)(1)
358(b)(1)
368(a)(1)(E)
1001(a)

Part II, Line 18: Can any resulting loss be recognized

Loss may be recognized in respect of cash received in lieu of fractional shares of Common Stock to the extent that the portion of a holder's basis allocated to the fractional share of Common Stock is greater than the amount of cash received in lieu of that fractional share.

None of the foregoing statements on this Form 8937 is intended to be tax advice. Tax advice should be obtained from your independent tax advisor.