

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

| | | | | |
|---|---------------------|---|--|--|
| 1 Issuer's name NACCO Industries, Inc. | | | 2 Issuer's employer identification number (EIN) 34-1505819 | |
| 3 Name of contact for additional information Investor Relations | | 4 Telephone No. of contact 440-229-5151 | 5 Email address of contact ir@naccoind.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 5875 Landerbrook Drive, Suite 220 | | | 7 City, town, or post office, state, and Zip code of contact Cleveland, OH 44124 | |
| 8 Date of action September 29, 2017 | | 9 Classification and description Class A and Class B Common Stock of NACCO Industries, Inc. | | |
| 10 CUSIP number 629579103 | 11 Serial number(s) | 12 Ticker symbol NC | 13 Account number(s) | |

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

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ All of the common stock of Hamilton Beach Brands Holding Company ("Hamilton Beach Holding") was distributed by NACCO Industries, Inc. ("NACCO") to its stockholders on September 29, 2017 (the "Distribution") for stockholders of record on September 26, 2017. Pursuant to the Distribution, each NACCO stockholder received one share of Hamilton Beach Holding Class A Common Stock and one share of Hamilton Beach Holding Class B Common Stock for each share of either NACCO Class A or Class B Common Stock held by such stockholder.

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 ▶ NACCO stockholders will be required to allocate the aggregate basis in their NACCO common stock held immediately before the Distribution between such shares and the shares of Hamilton Beach Holding common stock received in the Distribution, including any fractional shares for which cash is received. Please see the attached Stockholder Tax Basis Information Statement for information regarding the quantitative effect of the Distribution on the basis of the common stock held by any stockholder and an example of a detailed calculation for the determination of tax basis in such shares.

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 ▶ Please see the attached Stockholder Tax Basis Information Statement.

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 Internal Revenue Code Sections 355 and 358.

18 Can any resulting loss be recognized? ▶ Except to the extent of cash received in lieu of fractional shares, NACCO stockholders will not recognize gain or loss for U.S. federal income tax purposes as a result of the Distribution.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is the year ended December 31, 2017, or the tax year of the recipient which includes the Distribution date.

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 ▶ *E. Loveman* Date ▶ 10/11/17

Print your name ▶ Elizabeth I. Loveman Title ▶ Vice President and Controller

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| 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. |