UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File No. 001-35938

GLOBAL BRASS AND COPPER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-1826563**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
475 N. Martingale Road Suite 1050 Schaumburg, IL	**60173**
(Address of principal executive offices)	**(Zip Code)**

(847) 240-4700

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

On July 28, 2016, there were 21,592,348 shares of common stock outstanding.

Global Brass and Copper Holdings, Inc.
Index
June 30, 2016

Table of Contents

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements.
Global Brass and Copper Holdings, Inc.
Consolidated Balance Sheets (Unaudited)

(In millions, except share and par value data)	As of June 30, 2016	As of December 31, 2015
Assets		
Current assets:		
Cash	$ 58.9	$ 83.5
Accounts receivable (net of allowance of $0.5 and $1.2 at June 30, 2016 and December 31, 2015, respectively)	138.0	119.6
Inventories	166.5	176.3
Prepaid expenses and other current assets	19.1	17.4
Income tax receivable	2.9	2.4
Total current assets	385.4	399.2
Property, plant and equipment	171.1	158.8
Less: Accumulated depreciation	(54.6)	(47.7)
Property, plant and equipment, net	116.5	111.1
Goodwill	4.4	4.4
Intangible assets, net	0.5	0.5
Deferred income taxes	36.4	38.0
Other noncurrent assets	4.4	4.0
Total assets	$ 547.6	$ 557.2
Liabilities and equity		
Current liabilities:		
Current portion of capital lease obligation	$ 1.2	$ 1.1
Accounts payable	87.4	71.0
Accrued liabilities	34.4	53.9
Accrued interest	2.7	3.0
Income tax payable	0.1	0.2
Total current liabilities	125.8	129.2
Noncurrent portion of debt	303.0	342.0
Other noncurrent liabilities	37.4	25.3
Total liabilities	466.2	496.5
Commitments and Contingencies (Note 11)		
Global Brass and Copper Holdings, Inc. stockholders’ equity:		
Common stock - $0.01 par value; 80,000,000 shares authorized; 21,671,497 and 21,553,883 shares issued at June 30, 2016 and December 31, 2015, respectively	0.2	0.2
Additional paid-in capital	40.0	36.9
Retained earnings	41.3	22.3
Treasury stock - 79,149 and 46,729 shares at June 30, 2016 and December 31, 2015, respectively	(1.5)	(0.7)
Accumulated other comprehensive loss	(2.8)	(2.3)
Total Global Brass and Copper Holdings, Inc. stockholders’ equity	77.2	56.4
Noncontrolling interest	4.2	4.3
Total equity	81.4	60.7
Total liabilities and equity	$ 547.6	$ 557.2

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions, except per share data)	2016	2015	2016	2015
Net sales	$ 337.9	$ 414.9	$ 666.8	$ 815.1
Cost of sales	(296.6)	(364.6)	(576.0)	(720.9)
Gross profit	41.3	50.3	90.8	94.2
Selling, general and administrative expenses	(19.8)	(21.9)	(39.5)	(43.3)
Operating income	21.5	28.4	51.3	50.9
Interest expense	(7.9)	(9.9)	(16.3)	(19.9)
Loss on extinguishment of debt	(0.4)	—	(3.3)	—
Gain on sale of investment in joint venture	—	6.3	—	6.3
Other income, net	—	0.2	0.4	0.1
Income before provision for income taxes and equity income	13.2	25.0	32.1	37.4
Provision for income taxes	(4.6)	(7.9)	(11.3)	(12.4)
Income before equity income	8.6	17.1	20.8	25.0
Equity income, net of tax	—	0.1	—	0.3
Net income	8.6	17.2	20.8	25.3
Net income attributable to noncontrolling interest	(0.2)	(0.1)	(0.2)	(0.1)
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 8.4	$ 17.1	$ 20.6	$ 25.2
Net income attributable to Global Brass and Copper Holdings, Inc. per common share:				
Basic	$ 0.39	$ 0.80	$ 0.97	$ 1.19
Diluted	$ 0.39	$ 0.80	$ 0.96	$ 1.18
Weighted average common shares outstanding:				
Basic	21.3	21.3	21.3	21.2
Diluted	21.5	21.4	21.5	21.3
Dividends declared per common share	$ 0.0375	$ 0.0375	$ 0.0750	$ 0.0750

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2016	2015	2016	2015
Net income	$ 8.6	$ 17.2	$ 20.8	$ 25.3
Other comprehensive loss:				
Foreign currency translation adjustment	(0.8)	(0.3)	(1.0)	(0.5)
Income tax benefit on foreign currency translation adjustment	0.3	0.1	0.4	0.2
Comprehensive income	8.1	17.0	20.2	25.0
Comprehensive income attributable to noncontrolling interest	(0.1)	(0.1)	(0.1)	(0.2)
Comprehensive income attributable to Global Brass and Copper Holdings, Inc.	$ 8.0	$ 16.9	$ 20.1	$ 24.8

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Changes in Equity (Unaudited)

(In millions, except share data)	Shares Outstanding	Common stock	Additional paid-in capital	Retained earnings / (accumulated deficit)	Treasury stock	Accumulated other comprehensive loss	Total Global Brass and Copper Holdings, Inc. stockholders' equity	Noncontrolling interest	Total equity
Balance at December 31, 2014	21,340,207	$ 0.2	$ 32.5	$ (10.1)	$ (0.4)	$ (0.6)	$ 21.6	$ 4.4	$ 26.0
Share-based compensation	172,678	—	1.9	—	—	—	1.9	—	1.9
Exercise of stock options	11,743	—	0.1	—	—	—	0.1	—	0.1
Share repurchases	(16,694)	—	—	—	(0.3)	—	(0.3)	—	(0.3)
Excess tax benefit on share-based compensation	—	—	0.1	—	—	—	0.1	—	0.1
Dividends declared	—	—	—	(1.6)	—	—	(1.6)	—	(1.6)
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(0.2)	(0.2)
Net income	—	—	—	25.2	—	—	25.2	0.1	25.3
Other comprehensive (loss) income, net of tax	—	—	—	—	—	(0.4)	(0.4)	0.1	(0.3)
Balance at June 30, 2015	21,507,934	$ 0.2	$ 34.6	$ 13.5	$ (0.7)	$ (1.0)	$ 46.6	$ 4.4	$ 51.0
Balance at December 31, 2015	21,507,154	$ 0.2	$ 36.9	$ 22.3	$ (0.7)	$ (2.3)	$ 56.4	$ 4.3	$ 60.7
Share-based compensation	117,614	—	2.7	—	—	—	2.7	—	2.7
Share repurchases	(32,420)	—	—	—	(0.8)	—	(0.8)	—	(0.8)
Excess tax benefit on share-based compensation	—	—	0.4	—	—	—	0.4	—	0.4
Dividends declared	—	—	—	(1.6)	—	—	(1.6)	—	(1.6)
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(0.2)	(0.2)
Net income	—	—	—	20.6	—	—	20.6	0.2	20.8
Other comprehensive loss, net of tax	—	—	—	—	—	(0.5)	(0.5)	(0.1)	(0.6)
Balance at June 30, 2016	21,592,348	$ 0.2	$ 40.0	$ 41.3	$ (1.5)	$ (2.8)	$ 77.2	$ 4.2	$ 81.4

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
(In millions)	**2016**	**2015**
Cash flows from operating activities		
Net income	$ 20.8	$ 25.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Lower of cost or market adjustment to inventory	0.1	2.5
Unrealized gain on derivatives	(2.6)	(0.7)
Depreciation	7.3	6.6
Amortization of debt issuance costs	1.3	1.4
Loss on extinguishment of debt	3.3	—
Share-based compensation expense	2.7	1.9
Excess tax benefit from share-based compensation	(0.4)	(0.1)
Provision for bad debts, net of reductions	(0.4)	0.6
Deferred income taxes	2.0	(2.6)
Loss on disposal of property, plant and equipment	—	0.3
Gain on sale of investment in joint venture	—	(6.3)
Equity earnings, net of distributions	—	0.1
Change in assets and liabilities:		
Accounts receivable	(18.1)	(13.3)
Inventories	9.1	(9.3)
Prepaid expenses and other current assets	2.6	4.8
Accounts payable	17.5	23.1
Accrued liabilities	(10.5)	(6.0)
Accrued interest	(0.3)	—
Income taxes, net	1.1	7.4
Other, net	(0.3)	—
Net cash provided by operating activities	35.2	35.7
Cash flows from investing activities		
Capital expenditures	(14.3)	(7.6)
Proceeds from sale of investment in joint venture	—	8.0
Net cash (used in) provided by investing activities	(14.3)	0.4
Cash flows from financing activities		
Borrowings on ABL Facility	0.6	0.6
Payments on ABL Facility	(0.6)	(0.6)
Purchases of Senior Secured Notes	(40.0)	—
Premium payment on partial extinguishment of debt	(2.5)	—
Principal payments under capital lease obligation	(0.5)	(0.5)
Dividends paid	(1.6)	(1.6)
Distribution to noncontrolling interest owner	(0.2)	(0.2)
Proceeds from exercise of stock options	—	0.1
Excess tax benefit from share-based compensation	0.4	0.1
Share repurchases	(0.8)	(0.3)
Net cash used in financing activities	(45.2)	(2.4)
Effect of foreign currency exchange rates	(0.3)	0.1
Net (decrease) increase in cash	(24.6)	33.8
Cash at beginning of period	83.5	44.6
Cash at end of period	$ 58.9	$ 78.4
Noncash investing and financing activities		
Purchases of property, plant and equipment not yet paid	$ 2.7	$ 2.7

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Notes to Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Principles of Consolidation

Global Brass and Copper Holdings, Inc. ("Holdings," the "Company," "we," "us," or "our"), through its wholly-owned principal operating subsidiary, Global Brass and Copper, Inc. ("GBC"), is operated and managed through three reportable segments: GBC Metals, LLC ("Olin Brass"), Chase Brass and Copper Company, LLC ("Chase Brass") and A.J. Oster, LLC ("A.J. Oster").

These unaudited consolidated financial statements include the accounts of the Company, our wholly-owned subsidiaries and our majority-owned subsidiaries in which we have a controlling interest. All intercompany accounts and transactions are eliminated in consolidation.

The accompanying unaudited interim consolidated financial statements include all normal recurring adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. The December 31, 2015 consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("US GAAP"). Certain information and disclosures normally included in annual financial statements prepared in accordance with US GAAP have been condensed or omitted.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, it requires management to make estimates and assumptions that affect the reported amount of net sales and expenses during the reporting periods. Actual amounts could differ from those estimates.

Results of operations for the interim periods presented are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. There have been no significant changes to our significant accounting policies during the six months ended June 30, 2016. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company included in our Annual Report on Form 10-K for the year ended December 31, 2015.

Recently Issued and Recently Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-9, *Compensation-Stock Compensation (Topic 718)* ("ASU 2016-9"). ASU 2016-9 simplifies various aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. The provisions of ASU 2016-9 are effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2016, with early adoption permitted. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-2, *Leases (Topic 842)* ("ASU 2016-2"). ASU 2016-2 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease effectively finances a purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method (finance lease) or on a straight line basis over the term of the lease (operating lease). A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. ASU 2016-2 supersedes the existing guidance on accounting for leases in "*Leases (Topic 840).*" The provisions of ASU 2016-2 are effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted and the provisions are to be applied using a modified retrospective approach. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments* ("ASU 2015-16"). ASU 2015-16 requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. ASU 2015-16 is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2015. The adoption of this standard did not have a material effect on our consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-9, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-9”). The guidance provides companies with a single model for use in accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance, including industry-specific revenue guidance. The FASB subsequently issued ASU No. 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date* (“ASU 2015-14”), ASU No. 2016-8, *Revenue from Contracts with Customers - Principal versus Agent Considerations (Reporting Revenue Gross versus Net) (Topic 606)* (“ASU 2016-8”), ASU No. 2016-10, *Identifying Performance Obligations and Licensing (Topic 606)* and ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients (Topic 606)*, which further clarify aspects of the initial ASU. The guidance is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2017. The revenue recognition guidance permits companies to either apply the requirements retrospectively to all prior periods presented, or apply the requirements in the year of adoption, through a cumulative adjustment. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

2. Earnings Per Share

Basic earnings per share is computed based on the weighted-average number of common shares outstanding and diluted earnings per share is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had potentially dilutive common shares been issued. Potentially dilutive securities include nonvested share awards and stock options for which the exercise price was less than the average market price of our outstanding common stock. Nonvested performance-based share awards are included in the average diluted shares outstanding for each period if established performance criteria have been met at the end of the respective periods.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share data)	2016	2015	2016	2015
Numerator				
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 8.4	$ 17.1	$ 20.6	$ 25.2
Denominator				
Weighted-average common shares outstanding	21.3	21.3	21.3	21.2
Effect of potentially dilutive securities:				
Stock options and nonvested share awards	0.2	0.1	0.2	0.1
Weighted-average common shares outstanding, assuming dilution	21.5	21.4	21.5	21.3
Anti-dilutive shares excluded from above	—	—	—	0.3
Net income attributable to Global Brass and Copper Holdings, Inc. per common share:				
Basic	$ 0.39	$ 0.80	$ 0.97	$ 1.19
Diluted	$ 0.39	$ 0.80	$ 0.96	$ 1.18

3. Segment Information

Our Chief Operating Decision Maker allocates resources and evaluates performance at the divisional level. As such, we have determined that we have three reportable segments: Olin Brass, Chase Brass and A.J. Oster.

Olin Brass is a leading manufacturer, fabricator and converter of non-ferrous products, including sheet, strip, foil, tube and fabricated products. Olin Brass also rerolls and forms other alloys such as stainless steel, carbon steel and aluminum. Sheet and strip is generally manufactured from copper and copper-alloy scrap. Olin Brass's products are used in five primary markets: building and housing, munitions, automotive, coinage, and electronics / electrical components.

Chase Brass is a leading manufacturer of solid brass rod in North America. Chase Brass primarily manufactures rod in round and other shapes, ranging from 1/4 inch to 4.5 inches in diameter. The key attributes of brass rod include its machinability, corrosion resistance and moderate strength, making it especially suitable for forging and machining products such as valves and fittings. Brass rod is generally manufactured from copper or copper-alloy scrap. Chase Brass produces brass rod used in production applications which can be grouped into four primary markets: building and housing, transportation, electronics / electrical components and industrial machinery and equipment.

A.J. Oster primarily processes and distributes copper and copper-alloy sheet, strip and foil through six strategically-located service centers in the United States, Puerto Rico and Mexico. Each A.J. Oster service center reliably provides a broad range of high quality products at quick lead-times in small quantities. These capabilities, combined with A.J. Oster's operations of precision slitting, hot tinning, traverse winding, cutting, edging, stamping and special packaging, provide value to a broad customer base. A.J. Oster's products are used in three primary markets: building and housing, automotive and electronics / electrical components.

Corporate includes compensation for corporate executives and staff, and professional fees for accounting, tax and legal services. Corporate also includes interest expense, state and Federal income taxes, overhead costs, all share-based compensation expense, gains and losses associated with certain acquisitions and dispositions and the elimination of intercompany balances and transactions.

The Chief Operating Decision Maker evaluates performance and determines resource allocations based on a number of factors, the primary performance measure being adjusted EBITDA (as defined below), a non-GAAP measure.

Adjusted EBITDA is defined as net income attributable to Global Brass and Copper Holdings, Inc., plus interest, taxes, depreciation and amortization ("EBITDA") adjusted to exclude the following:

- unrealized gains and losses on derivative contracts in support of our balanced book approach;
- unrealized gains and losses associated with derivative contracts related to energy and utility costs;
- adjustments due to lower of cost or market adjustments to inventory;
- gains and losses due to the depletion of a last-in, first out ("LIFO") layer of metal inventory;
- share-based compensation expense;
- loss on extinguishment of debt;
- income accretion related to Dowa Olin Metal Corporation (the "Dowa Joint Venture");
- restructuring and other business transformation charges;
- specified legal and professional expenses; and
- certain other items.

Each of these items are excluded because our management believes they are not indicative of the ongoing performance of our core operations.

Below is a reconciliation of adjusted EBITDA of segments to income before provision for income taxes and equity income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2016	2015	2016	2015
Net Sales, External Customers				
Olin Brass	$ 137.4	$ 192.8	$ 269.0	$ 362.2
Chase Brass	129.3	141.9	257.4	297.9
A.J. Oster	71.2	80.2	140.4	155.0
Total net sales, external customers	$ 337.9	$ 414.9	$ 666.8	$ 815.1
Intersegment Net Sales				
Olin Brass	$ 17.6	$ 15.0	$ 37.8	$ 30.3
Chase Brass	0.5	0.8	0.6	1.2
Total intersegment net sales	$ 18.1	$ 15.8	$ 38.4	$ 31.5
Adjusted EBITDA				
Olin Brass	$ 7.8	$ 17.7	$ 21.1	$ 27.0
Chase Brass	18.0	17.1	37.2	38.5
A.J. Oster	4.6	4.7	9.7	8.2
Total adjusted EBITDA of segments	30.4	39.5	68.0	73.7
Corporate and other	(4.5)	1.5	(8.4)	(3.4)
Depreciation expense	(3.7)	(3.3)	(7.3)	(6.6)
Interest expense	(7.9)	(9.9)	(16.3)	(19.9)
Net income attributable to noncontrolling interest	0.2	0.1	0.2	0.1
Unrealized gain (loss) on derivative contracts (a)	0.7	(0.3)	2.6	0.7
Loss on extinguishment of debt (b)	(0.4)	—	(3.3)	—
Equity method investment income (c)	—	(0.1)	—	(0.1)
Specified legal/professional expenses (d)	(0.2)	(0.7)	(0.6)	(1.8)
Lower of cost or market adjustment to inventory (e)	0.2	(0.6)	(0.1)	(2.5)
Share-based compensation expense (f)	(1.6)	(1.2)	(2.7)	(1.9)
Restructuring and other business transformation charges (g)	—	—	—	(0.9)
Income before provision for income taxes and equity income	$ 13.2	$ 25.0	$ 32.1	$ 37.4

(a) Represents unrealized gains / losses on derivative contracts.

(b) Represents the loss on extinguishment of debt recognized in connection with the open market purchases of Senior Secured Notes (see Note 7, “Financing”).

(c) Excludes accretion income of $0.2 million for the six months ended June 30, 2015. Equity method investment income is exclusive to Olin Brass. In 2015, we sold our investment in the Dowa Joint Venture.

(d) Represents selected professional fees for accounting, tax, legal and consulting services incurred as a public company that exceed our expected long-term requirements.

(e) For the three and six months ended June 30, 2015, represents lower of cost or market charges for the write down of domestic, non-copper metal inventory. For the three and six months ended June 30, 2016, represents recoveries of previous charges as market prices for certain non-copper metals increased, net of additional lower of cost or market charges for the write down of domestic, non-copper metal inventory.

(f) Represents compensation expense resulting from stock compensation awards to certain employees and our Board of Directors.

(g) Restructuring and other business transformation charges for the six months ended June 30, 2015 represent severance charges at Olin Brass.

4. Inventories

Inventories were as follows:

	As of	
(in millions)	**June 30, 2016**	**December 31, 2015**
Raw materials and supplies	$ 30.7	$ 31.3
Work-in-process	71.7	69.7
Finished goods	64.1	75.3
Total inventories	$ 166.5	$ 176.3

Inventories include costs attributable to direct labor and manufacturing overhead, but are primarily comprised of metal costs. The metals component of inventories that is valued on a LIFO basis comprised approximately 70% of total inventory at June 30, 2016 and December 31, 2015. Other manufactured inventories, including the direct labor and manufacturing overhead components and certain non-U.S. inventories, are valued on a first-in, first out ("FIFO") basis.

During the three months ended June 30, 2016, we recorded a non-cash recovery of previous lower of cost or market charges for the write down of certain domestic, non-copper metal inventory, as well as additional charges for certain domestic, non-copper metal inventory resulting from the decline in market value of these metals, aggregating to a net recovery of $0.2 million. During the three months ended June 30, 2015, we recorded a write down of $0.6 million. During the six months ended June 30, 2016 and 2015, we recorded write down adjustments of $0.1 million (net of certain recoveries) and $2.5 million, respectively. These non-cash, lower of cost or market adjustments were recorded in cost of sales in the accompanying unaudited consolidated statements of operations.

Below is a summary of inventories valued at period-end market values compared to the as reported values:

	As of	
(in millions)	**June 30, 2016**	**December 31, 2015**
Market value	$ 211.8	$ 213.1
As reported	166.5	176.3
Excess of market over reported value	$ 45.3	$ 36.8

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets were as follows:

	As of	
(in millions)	**June 30, 2016**	**December 31, 2015**
Workers' compensation plan deposits	$ 6.9	$ 6.0
Prepaid insurance	3.0	2.0
Deferred cost of sales - toll customers	2.3	4.0
Derivative contract assets	2.3	1.8
Prepaid tooling	0.1	0.5
Other	4.5	3.1
Total prepaid expenses and other current assets	$ 19.1	$ 17.4

6. Accrued Liabilities

Accrued liabilities consisted of the following:

	As of	
(in millions)	June 30, 2016	December 31, 2015
Compensation and benefits	$ 16.1	$ 23.8
Workers' compensation	2.7	13.3
Insurance	2.6	2.6
Professional fees	2.5	2.5
Deferred sales revenue - toll customers	2.3	4.0
Utilities	1.8	1.6
Taxes	1.2	1.3
Tooling	—	0.5
Other	5.2	4.3
Total accrued liabilities	$ 34.4	$ 53.9

7. Financing

Long-term debt consisted of the following:

	As of	
(in millions)	June 30, 2016	December 31, 2015
Senior Secured Notes	$ 305.3	$ 345.3
Deferred financing fees - Senior Secured Notes	(5.4)	(7.0)
ABL Facility	—	—
Obligations under capital lease	4.3	4.8
Total debt	304.2	343.1
Less: Current portion of capital lease obligations	(1.2)	(1.1)
Noncurrent portion of debt	$ 303.0	$ 342.0

Discussion of Historical Debt Facilities

As of June 30, 2016, we were in compliance with all of the covenants relating to the senior secured notes then outstanding, which had a maturity date of June 1, 2019 ("Senior Secured Notes").

During the six months ended June 30, 2016, we purchased in the open market an aggregate of $40.0 million principal amount of our Senior Secured Notes, for an aggregate purchase price of $42.5 million, plus accrued interest. As a result of these purchases, we recognized a loss on the extinguishment of debt in the three months ended June 30, 2016 of $0.4 million, which includes a premium of $0.3 million and the write-off of $0.1 million of unamortized debt issuance costs. We recognized a loss on the extinguishment of debt in the six months ended June 30, 2016 of $3.3 million, which includes a premium of $2.5 million and the write-off of $0.8 million of unamortized debt issuance costs.

As discussed under "Term Loan B Facility" hereafter, on July 18, 2016, we used the proceeds from the Term Loan B Facility, along with approximately $11.8 million of our own cash, to redeem all $305.3 million principal of our outstanding Senior Secured Notes and for ongoing working capital needs and other general corporate purposes. As part of the refinancing and in accordance with the indenture governing the Senior Secured Notes ("Indenture"), we called the notes at a redemption price of 104.75% plus accrued interest, and we terminated the related Indenture.

As of June 30, 2016, we were in compliance with all of the covenants under the asset based revolving facility ("ABL Facility") in existence at the time. Due to the refinancing discussed below, on July 18, 2016, we terminated this ABL Facility, at which time, no amounts were outstanding under the facility.

We will record the loss on extinguishment related to both the Senior Secured Notes and the former ABL facility in the third quarter of approximately $20 million, which reflects a call premium and the write off of the remaining debt issuance costs.

Refinancing

2016 ABL Facility

On July 18, 2016, we entered into a credit agreement with a syndicate of lenders that matures on July 19, 2021 (the "ABL Credit Agreement" and the facility thereunder, the "2016 ABL Facility"). No amounts were outstanding under this facility at closing.

The 2016 ABL Facility is an asset-based revolving loan facility that provides for borrowings of up to the lesser of $200.0 million or the borrowing base. At closing, available borrowings under the 2016 ABL Facility were $200.0 million. We may request an increase in the maximum commitments, at our option and under certain circumstances, of up to $200.0 million (but the lenders are not obligated to grant such an increase).

Amounts outstanding, if any, under the 2016 ABL Facility bear interest at a rate per annum equal to, at our option, either (1) 0.25% to 0.75% subject to an average quarterly availability pricing grid set forth in the ABL Credit Agreement plus an Alternate Base Rate (as defined in the ABL Credit Agreement) or (2) 1.25% to 1.75% subject to an average quarterly availability pricing grid set forth in the ABL Credit Agreement plus the Adjusted LIBO Rate (as defined in the ABL Credit Agreement). Unused amounts under the 2016 ABL Facility incur an unused line fee of 0.375% or 0.25% per annum (depending on the percentage of aggregate revolving exposure), payable in arrears on a quarterly basis.

The ABL Credit Agreement requires us to prepay or cash collateralize the applicable portion of any outstanding revolving loans under circumstances as are customary in agreements of this type. However, we may voluntarily repay and reborrow outstanding loans under the 2016 ABL Facility at any time without a premium or penalty, other than customary "breakage" costs with respect to loans made utilizing the Adjusted LIBO Rate (as defined in the ABL Credit Agreement).

The ABL Credit Agreement also contains a financial covenant requiring us to maintain a fixed charge coverage ratio that is tested whenever excess availability, as defined in the ABL Credit Agreement, falls below the greater of $20.0 million or 10% of our potential borrowings. The "fixed charge coverage ratio" requires us to maintain a ratio of "Consolidated Adjusted EBITDA" to the amount of our "fixed charges" (for all terms, as defined in the ABL Credit Agreement) for the twelve consecutive months prior to the date on which the ratio is tested equal to or greater than 1.0 to 1.0.

Term Loan B Facility

Also on July 18, 2016, we entered into a long-term credit agreement that matures on July 18, 2023 (the "Term Loan B Credit Agreement" and the loans thereunder, the "Term Loan B Facility").

The Term Loan B Facility provides for borrowings of $320.0 million. Amounts outstanding under the Term Loan B Facility bear interest at a rate per annum equal to, at our option, either (1) 3.00% to 3.25% subject to a total net leverage ratio pricing grid set forth in the Term Loan B Credit Agreement plus an Alternate Base Rate (as defined in the Term Loan B Credit Agreement) or (2) 4.00% to 4.25% subject to a total net leverage ratio pricing grid set forth in the Term Loan B Credit Agreement plus the Adjusted LIBO Rate (as defined in the Term Loan B Credit Agreement). We may request an increase in the aggregate term loans, at our option and under certain circumstances, of up to an additional $75.0 million or an unlimited amount so long as after giving effect to any incremental facility or incremental equivalent debt, the net senior secured leverage ratio does not exceed 2.50 to 1.00 (but the lenders, in either case, are not obligated to grant such an increase).

The Term Loan B Credit Agreement requires mandatory prepayments based on various events and circumstances as are customary in such agreements. In addition, starting on December 31, 2017, we are subject to a 50% excess cash flow sweep, subject to step-downs to 25% and 0% depending on the total net leverage ratio from time to time. We may, however, voluntarily prepay outstanding loans under the Term Loan B Facility at any time.

The Term Loan B Credit Agreement also contains a financial covenant that requires us to maintain a total net leverage ratio that is tested quarterly. The "total net leverage ratio" requires us to maintain a ratio of the amount of total net debt to "Consolidated Adjusted EBITDA" (for all terms, as defined in the Term Loan B Credit Agreement) for the twelve consecutive months prior to the date on which the ratio is tested of no greater than 4.0 to 1.0.

In connection with the Term Loan B Facility, commencing on December 30, 2016, we must make quarterly payments of $0.8 million with the balance expected to be due on July 18, 2023.

The Credit Agreements

The ABL Credit Agreement and the Term Loan B Credit Agreement (together, the "Credit Agreements") contain various other covenants consistent with debt agreements of this kind, such as restrictions on the amounts of dividends we can pay.

A violation of covenants under either of the Credit Agreements may result in default or an event of default under the 2016 ABL Facility or Term Loan B Facility, as applicable (together, the "Facilities"). Upon the occurrence of an event of default under one or both of the Credit Agreements, the requisite lenders could elect to declare all amounts of such indebtedness outstanding to be immediately due and payable and terminate any commitments to extend further credit.

If we are unable to repay those amounts, the lenders under the applicable Credit Agreement may proceed against the collateral granted to them to secure such indebtedness. Substantially all of our assets are pledged as collateral under the ABL Credit Agreement and the Term Loan B Credit Agreement. If the lenders accelerate the repayment of borrowings, such acceleration could have a material adverse effect on our business, financial condition, results of operations or cash flows. Furthermore, cross-default provisions in the Credit Agreements provide that any default under the Term Loan B Credit Agreement or the ABL Credit Agreement or other significant debt agreements could trigger a cross-default under the ABL Credit Agreement or Term Loan B Credit Agreement, as applicable.

8. Income Taxes

The effective income tax rate, which is the provision for income taxes as a percentage of income before provision for income taxes and equity income, was 34.8% and 31.6% for the three months ended June 30, 2016 and 2015, respectively, and 35.2% and 33.2% for the six months ended June 30, 2016 and 2015, respectively. The effective income tax rates for the three and six months ended June 30, 2016 and 2015 differed from the U.S. Federal statutory rate of 35% primarily due to state income taxes, utilization of foreign tax credits (especially in 2015) and the domestic manufacturing deduction.

As of June 30, 2016 and December 31, 2015, we had $26.3 million and $25.1 million, respectively, of unrecognized tax benefits, none of which would impact the effective tax rate, if recognized. Estimated interest and penalties related to the underpayment of income taxes are classified as a component of provision for income taxes. There were no such estimated amounts for the three and six months ended June 30, 2016 or 2015. Accrued interest and penalties as of June 30, 2016 and December 31, 2015 were $0.1 million. Our liability for uncertain tax positions of $26.4 million and $25.2 million at June 30, 2016 and December 31, 2015, respectively, is presented in other noncurrent liabilities in the accompanying unaudited consolidated balance sheets.

Our U.S. federal returns for the period ended December 31, 2012 and all subsequent periods remain open for audit. The majority of state returns for the period ended December 31, 2011 and all subsequent periods also remain open for audit.

On July 18, 2016, we refinanced our debt (see Note 7, "Financing"), which will reduce interest expense in future years. Due to this reduction of interest expense, we expect to release the valuation allowance currently recorded against our foreign tax credits, resulting in a one-time reduction in income tax expense of approximately $1.0 million in the third quarter.

9. Derivative Contracts

We maintain a metal, energy and utility pricing risk-management strategy that uses commodity derivative contracts to minimize significant, unanticipated gains or losses that may arise from volatility of the commodity indices.

We are also exposed to credit risk and market risk. Credit risk is the risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. Market risk is the risk that the value of a derivative instrument might be adversely affected by a change in commodity price. We manage the market risk associated with derivative contracts by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

We manage credit risk associated with derivative contracts by executing derivative instruments with counterparties that we believe are credit-worthy. The amount of such credit risk is limited to the fair value of the derivative contract plus the unpaid portion of amounts due to us pursuant to terms of the derivative contracts, if any. If the credit- worthiness of these counterparties deteriorates, we believe the exposure is mitigated by provisions in the derivative arrangements which allow for the legal right of offset of amounts due to us from the counterparties, if any, with any amounts payable to the counterparties.

The following tables provide a summary of our outstanding commodity derivative contracts:

	As of			
	June 30, 2016		December 31, 2015	
(in millions, except for number of contracts)	Net Notional Amount	# of Contracts	Net Notional Amount	# of Contracts
Metal	$ 18.2	941	$ 18.2	534
Energy and utilities	2.7	53	4.3	114
Total	$ 20.9	994	$ 22.5	648

	As of	
(in millions)	June 30, 2016	December 31, 2015
Notional amount - long	$ 35.9	$ 28.5
Notional amount - (short)	(15.0)	(6.0)
Net long / (short)	$ 20.9	$ 22.5

The fair values of derivative contracts in the consolidated balance sheets include the impact of netting derivative assets and liabilities when a legally enforceable master netting arrangement exists. The following tables summarize the gross amounts of open derivative contracts, the net amounts presented in the unaudited consolidated balance sheets, and the collateral deposited with counterparties:

	As of June 30, 2016		
(in millions)	Gross Amounts of Recognized Assets	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Assets Presented in Consolidated Balance Sheet
Metal	$ 2.5	$ (0.9)	$ 1.6
Energy and utilities	0.1	—	0.1
Collateral on deposit	0.6	—	0.6
Total	$ 3.2	$ (0.9)	$ 2.3
Consolidated balance sheet location:			
Prepaid expenses and other current assets			$ 2.3

	As of June 30, 2016		
(in millions)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Liabilities Presented in Consolidated Balance Sheet
Metal	$ 0.9	$ (0.9)	$ —
Energy and utilities	—	—	—
Total	$ 0.9	$ (0.9)	$ —

	As of December 31, 2015		
(in millions)	Gross Amounts of Recognized Assets	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Assets Presented in Consolidated Balance Sheet
Metal	$ 0.6	$ (0.6)	$ —
Energy and utilities	0.1	(0.1)	—
Collateral on deposit	3.2	(1.4)	1.8
Total	$ 3.9	$ (2.1)	$ 1.8
Consolidated balance sheet location:			
Prepaid expenses and other current assets			$ 1.8

	As of December 31, 2015		
(in millions)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Liabilities Presented in Consolidated Balance Sheet
Metal	$ 1.7	$ (1.7)	$ —
Energy and utilities	0.4	(0.4)	—
Total	$ 2.1	$ (2.1)	$ —

The following table summarizes the effects of derivative contracts in the consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2016**	**2015**	**2016**	**2015**
Losses (gains) in cost of sales for:				
Metal	$ (0.7)	$ 0.4	$ (2.0)	$ (0.1)
Energy and utilities	(0.4)	0.3	0.1	0.4
Total	$ (1.1)	$ 0.7	$ (1.9)	$ 0.3

10. Fair Value Measurements

ASC 820 specifies a fair value framework and hierarchy based upon the observability of inputs used in valuation techniques. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

- **Level 1** - Quoted prices for identical instruments in active markets.
- **Level 2** - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.
- **Level 3** - Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

As of June 30, 2016 and December 31, 2015, the fair value of our commodity derivative contracts was $2.3 million and $1.8 million, respectively. In accordance with ASC 820, our metal, energy and utility commodity derivative contracts are considered Level 2, as fair value measurements consist of both quoted price inputs and inputs provided by a third party that are derived principally from or corroborated by observable market data by correlation. These assumptions include, but are not limited to, those concerning interest rates, credit rates, discount rates, default rates and other factors. All of our derivative commodity contracts have a set term of 24 months or less.

We do not hold assets or liabilities requiring a Level 3 measurement and there have not been any transfers between the hierarchy levels during 2016 or 2015.

For purposes of financial reporting, we have determined that the carrying value of cash, accounts receivable, accounts payable, and accrued expenses approximates fair value due to their short term nature. Additionally, given the revolving nature and the variable interest rates, we have determined that the carrying value of the ABL Facility also approximates fair value. As of June 30, 2016 and December 31, 2015, the fair value of our Senior Secured Notes approximated $321.7 million and $365.2 million, respectively, compared to a carrying value of $305.3 million and $345.3 million, respectively. The fair value of the Senior Secured Notes was based upon quotes from financial institutions (Level 2 in the fair value hierarchy as defined by ASC 820). In July 2016, we redeemed all of our outstanding Senior Secured Notes (see Note 7, “Financing”).

11. Commitments and Contingencies

Environmental Considerations

We are subject to a variety of environmental laws and regulations governing discharges to air and water, the handling, storage and disposal of hazardous or solid waste materials and the remediation of contamination associated with releases of hazardous substances. Although we believe we are in material compliance with all of the various regulations applicable to our business, there can be no assurance that requirements will not change in the future or that we will not incur significant costs to comply with such requirements. We are currently not aware of any environmental matters which may have a material impact on our financial position, results of operations, or liquidity.

On November 19, 2007 (the date of inception of GBC), we acquired the assets and operations relating to the worldwide metals business of Olin Corporation. Olin Corporation agreed to retain liability arising out of the existing conditions on certain of our properties for any remedial actions required by environmental laws, and agreed to indemnify us for all or part of a number of other environmental liabilities. Since 2007, Olin Corporation has been performing remedial actions at the facilities in East Alton, Illinois and Waterbury, Connecticut related to environmental conditions at such facilities, and has been participating in remedial actions at certain other properties as well. If Olin Corporation were to stop its environmental remedial activities at our properties, we could be required to assume responsibility for these activities, the cost of which could be material.

Legal Considerations

We are party to various legal proceedings arising in the ordinary course of business. We believe that none of our legal proceedings are individually material or that the aggregate exposure of all of our legal proceedings, including those that are probable and those that are only reasonably possible, is material to our financial condition, results of operations or cash flows.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements” that involve risks and uncertainties. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “projects,” “may,” “would,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates” or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make or may make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements contained in this report are based upon information available to us on the date of this report.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as “cautionary statements,” are disclosed under the “Risk Factors” section in Item 1A of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 9, 2016, and subsequent Reports on Form 10-Q, including, without limitation, in conjunction with the forward-looking statements included in this Report on Form 10-Q and in our other SEC filings. All forward-looking information in this report and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include, but are not limited to:

- general economic conditions affecting the markets in which our products are sold;
- our ability to implement our business strategies, including acquisition activities;
- our ability to maintain business relationships with our customers on favorable terms;
- our ability to continue implementing our balanced book approach to substantially reduce the impact of fluctuations in metal prices on our earnings and operating margins;
- shrinkage from processing operations and metal price fluctuations, particularly copper;
- the condition of various markets in which our customers operate, including the housing and commercial construction industries;
- the impact of a loss in customer volume or demand or a shift by customers of their manufacturing or sourcing offshore;
- our ability to compete effectively with existing and new competitors;
- limitations on our ability to purchase raw materials, particularly copper;
- fluctuations in commodity, energy and utility prices and costs;
- our ability to maintain sufficient liquidity as commodity, energy and utility prices rise;
- the effects of industry consolidation or competition in our business lines;
- operational factors affecting the ongoing commercial operations of our facilities, including technology failures, catastrophic weather-related damage, regulatory approvals, permit issues, unscheduled blackouts, outages or repairs or unanticipated changes in energy and utility costs;
- operational factors affecting the ongoing commercial operations of our facilities resulting from inclement weather conditions;
- supply, demand, prices and other market conditions for our products;
- our ability to accommodate increases in production to meet demand for our products;
- our ability to continue our operations internationally and the risks applicable to international operations;

- government regulations relating to our products and services, including new legislation relating to derivatives and the elimination of the dollar bill and EPA regulations regarding the registration and marketing of bactericidal copper products;
- our ability to maintain effective internal control over financial reporting;
- our ability to realize the planned cost savings and efficiency gains as part of our various initiatives;
- our ability to successfully execute acquisitions and joint ventures;
- workplace safety issues;
- our ability to retain key employees;
- adverse developments in our relationship with our employees or the future terms of our collective bargaining agreements;
- the impact of our indebtedness, including the effect of our ability to borrow money, fund working capital and operations and make new investments;
- rising employee medical costs;
- environmental costs and our exposure to environmental claims;
- our exposure to product liability claims;
- our ability to successfully manage litigation;
- our ability to maintain cost-effective insurance policies;
- our ability to maintain the confidentiality of our proprietary information, to protect the validity, enforceability or scope of our intellectual property rights and manage litigation regarding our intellectual property rights;
- litigation regarding our intellectual property rights could affect us and harm our business;
- our limited experience managing and operating as an SEC reporting company;
- fluctuations in interest rates; and
- restrictive covenants in our indebtedness that may adversely affect our operational flexibility.

We caution you that the foregoing list of factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2015. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q.

Overview

Our Company

Global Brass and Copper Holdings, Inc. ("Holdings," the "Company," "we," "us," or "our") was incorporated in Delaware on October 10, 2007. Holdings, through its wholly-owned principal operating subsidiary, Global Brass and Copper, Inc. ("GBC"), commenced commercial operations on November 19, 2007 through the acquisition of the metals business from Olin Corporation. The majority of our operations are managed through three reportable operating segments: Olin Brass, Chase Brass and A.J. Oster. We also have a Corporate entity which includes certain administrative costs and expenses and the elimination of intercompany balances.

We are a leading value-added converter, fabricator, processor and distributor of specialized non-ferrous products including a wide range of sheet, strip, foil, rod, tube and fabricated metal component products. While we primarily process copper and copper-alloys, we also reroll and form certain other metals such as stainless steel, carbon steel and aluminum. Using processed scrap, virgin metals and other refined metals, we engage in metal melting and casting, rolling, drawing, extruding, welding and stamping to fabricate finished and semi-finished alloy products. Key attributes of copper and copper alloys are conductivity, corrosion resistance, strength, malleability, cosmetic appearance and bactericidal properties.

Our products are used in a variety of applications across diversified markets, including the building and housing, munitions, automotive, transportation, coinage, electronics / electrical components, industrial machinery and equipment and general consumer markets. We access these markets through direct mill sales, our captive distribution network and third-party distributors. We hold the exclusive production and distribution rights in North America for a lead-free brass rod product, which we sell under the Green Dot® and Eco Brass® brand names. The vertical integration of Olin Brass's manufacturing capabilities and A.J. Oster's distribution capabilities allows us to access customers with a wide variety of volume and service needs.

Unlike traditional metals companies, in particular those that engage in mining, smelting and refining activities, we are purely a metal converter, fabricator, processor and distributor, and we do not attempt to generate profits from fluctuations in metal prices. Our financial performance is primarily driven by metal conversion economics, not by the underlying movements in the price of copper and the other metals we use. Through our "balanced book" approach, we strive to match the timing, quantity and price of our metal sales with the timing, quantity and price of our replacement metal purchases. This practice, along with our toll processing operations, substantially reduces the financial impact of metal price movements on our earnings and operating margins.

For a discussion of Key Factors Affecting our Results of Operations, including the "balanced book" approach, refer to our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 9, 2016.

Management's View of Performance

In addition to the results reported in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), we also report "adjusted sales," "adjusted gross profit," "adjusted selling, general and administrative expenses," "adjusted EBITDA" and "adjusted diluted earnings per common share" which are non-GAAP financial measures as defined below.

Adjusted sales may not be comparable to similarly titled measures presented by other companies and is not a measure of operating performance or liquidity defined by US GAAP. Adjusted gross profit, adjusted selling, general and administrative expenses and adjusted diluted earnings per common share may not be comparable to similarly titled measures presented by other companies and are not measures of operating performance or liquidity defined by US GAAP. Adjusted EBITDA is not intended as an alternative to net income or as an alternative to any other measure of performance in conformity with US GAAP or as an alternative to cash flow provided by (used in) operating activities as a measure of liquidity.

You should therefore not place undue reliance on adjusted sales, adjusted gross profit, adjusted selling, general and administrative expenses, adjusted EBITDA, adjusted diluted earnings per common share, or any ratios calculated using them. The most comparable US GAAP-based measure for each respective non-GAAP financial measure can be found in our unaudited consolidated financial statements and the related notes thereto included elsewhere in this report.

The following discussions present an analysis of certain GAAP and non-GAAP measures for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015, as well as for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. These discussions should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

Net sales and adjusted sales

Adjusted sales is defined as net sales less the metal cost of products sold. Net sales is the most directly comparable US GAAP measure to adjusted sales, which represents the value-added premium we earn over our conversion and fabrication costs. We use adjusted sales on a consolidated basis to monitor the revenues that are generated from our value-added conversion and fabrication processes excluding the effects of fluctuations in metal costs. We believe that adjusted sales supplements our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons.

Net sales is reconciled to adjusted sales as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		QTR Change: 2016 vs. 2015		YTD Change: 2016 vs. 2015	
(in millions, except per pound values)	2016	2015	2016	2015	Amount	Percent	Amount	Percent
Pounds shipped (a)	131.8	132.8	263.1	261.4	(1.0)	(0.8)%	1.7	0.7 %
Net sales	$ 337.9	$ 414.9	$ 666.8	$ 815.1	$ (77.0)	(18.6)%	$ (148.3)	(18.2)%
Metal component of net sales	(201.1)	(274.3)	(394.6)	(539.7)	73.2	(26.7)%	145.1	(26.9)%
Adjusted sales	$ 136.8	$ 140.6	$ 272.2	$ 275.4	$ (3.8)	(2.7)%	$ (3.2)	(1.2)%
Net sales per pound	$ 2.56	$ 3.12	$ 2.53	$ 3.12	$ (0.56)	(17.9)%	$ (0.59)	(18.9)%
Metal component of net sales per pound	(1.52)	(2.06)	(1.50)	(2.07)	0.54	(26.2)%	0.57	(27.5)%
Adjusted sales per pound	$ 1.04	$ 1.06	$ 1.03	$ 1.05	$ (0.02)	(1.9)%	$ (0.02)	(1.9)%
Average copper price per pound (b)	$ 2.13	$ 2.77	$ 2.12	$ 2.72	$ (0.64)	(23.1)%	$ (0.60)	(22.1)%

(a) Amounts exclude quantity of unprocessed metal sold.

(b) Copper prices reported by the Commodity Exchange (“COMEX”).

Three months ended June 30, 2016 compared to three months ended June 30, 2015

Net sales decreased by $77.0 million, or 18.6%, primarily as the result of a $73.2 million decline in the metal cost recovery component due to decreased metal prices ($57.1 million) and a decrease in sales of unprocessed metals ($14.0 million). Adjusted sales decreased by $3.8 million, predominantly due to a $3.6 million (less than 1%) decrease in volume as a result of decreased demand in the coinage, transportation and industrial machinery and equipment markets, partially mitigated by increased demand within the building and housing market.

In addition, our Olin Brass production facility experienced an outage during the quarter resulting from an equipment failure of an intermediate processing component within our mill. As a result, this segment was unable to ship and sell product at normal levels, resulting in decreased volumes.

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Net sales decreased by $148.3 million, or 18.2%, primarily as the result of a $145.1 million decline in the metal cost recovery component due to decreased metal prices and product mix ($130.6 million) and a decline in sales of unprocessed metals ($15.9 million). Adjusted sales decreased by $3.2 million due to a $4.5 million unfavorable price impact partially mitigated by a $1.3 million benefit from increased volumes due to increased demand in munitions and building and housing, partially offset by lower demand in coinage and industrial machinery and equipment. Consistent with our second quarter, our pricing initiatives were overshadowed by unfavorable mix impacts and decreased metal margins.

Gross profit and adjusted gross profit

Adjusted gross profit is defined as gross profit less items excluded from the calculation of adjusted EBITDA. Gross profit is the most directly comparable US GAAP measure to adjusted gross profit. We believe that adjusted gross profit supplements our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons. We believe adjusted gross profit represents a meaningful presentation of the financial performance of our core operations, in order to provide period-to-period comparisons that are more consistent and more easily understood.

Gross profit is reconciled to adjusted gross profit as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		QTR Amount change:	YTD Amount change:
(in millions)	2016	2015	2016	2015	2016 vs. 2015	2016 vs. 2015
Total gross profit	$ 41.3	$ 50.3	$ 90.8	$ 94.2	$ (9.0)	$ (3.4)
Unrealized (gain) loss on derivative contracts (a)	(0.7)	0.3	(2.6)	(0.7)	(1.0)	(1.9)
Lower of cost or market adjustment to inventory (b)	(0.2)	0.6	0.1	2.5	(0.8)	(2.4)
Restructuring and other business transformation charges	—	—	—	0.4	—	(0.4)
Depreciation expense	3.3	3.0	6.4	5.9	0.3	0.5
Adjusted gross profit	$ 43.7	$ 54.2	$ 94.7	$ 102.3	$ (10.5)	$ (7.6)

(a) We use our balanced book approach, supported, where required, by derivative contracts, to substantially reduce the impact of metal price fluctuations on operating margins. We also use derivative contracts to reduce uncertainty and volatility related to energy and utility costs.

(b) For the three and six months ended June 30, 2015, represents lower of cost or market charges for the write down of domestic, non-copper metal inventory. For the three and six months ended June 30, 2016, represents recoveries of previous charges as market prices for certain non-copper metals increased, net of additional lower of cost or market charges for the write down of domestic, non-copper metal inventory.

Three months ended June 30, 2016 compared to three months ended June 30, 2015

Gross profit decreased by $9.0 million, or 17.9% and adjusted gross profit decreased by $10.5 million, primarily due to increased costs and decreased volumes resulting from the previously described production outage at Olin Brass.

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Gross profit decreased by $3.4 million, or 3.6%, and adjusted gross profit decreased by $7.6 million primarily due to increased costs resulting from the Olin Brass production outage previously discussed, as well as unfavorable changes in product mix. Additionally, gross profit benefited from a reduction in lower of cost or market charges and favorable fluctuations in unrealized gains / losses on derivative contracts.

Selling, general and administrative expenses and adjusted selling, general and administrative expenses

Adjusted selling, general and administrative expenses is defined as selling, general and administrative expenses less items excluded from the calculation of adjusted EBITDA. Selling, general and administrative expenses are the most directly comparable US GAAP measure to adjusted selling, general and administrative expenses. We believe that adjusted selling, general and administrative expenses supplement our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons. We believe adjusted selling, general and administrative expenses represent a meaningful presentation of the financial performance of our core operations, in order to provide period-to-period comparisons that are more consistent and more easily understood.

Selling, general and administrative expenses is reconciled to adjusted selling, general and administrative expenses as follows:

(in millions)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	QTR Amount change: 2016 vs. 2015	YTD Amount change: 2016 vs. 2015
Total selling, general and administrative expenses	$ 19.8	$ 21.9	$ 39.5	$ 43.3	$ (2.1)	$ (3.8)
Specified legal / professional expenses	(0.2)	(0.7)	(0.6)	(1.8)	0.5	1.2
Share-based compensation expense	(1.6)	(1.2)	(2.7)	(1.9)	(0.4)	(0.8)
Restructuring and other business transformation charges	—	—	—	(0.5)	—	0.5
Depreciation and amortization expense	(0.4)	(0.3)	(0.9)	(0.7)	(0.1)	(0.2)
Adjusted selling, general and administrative expenses	$ 17.6	$ 19.7	$ 35.3	$ 38.4	$ (2.1)	$ (3.1)

Three months ended June 30, 2016 compared to three months ended June 30, 2015

Selling, general and administrative expenses decreased by $2.1 million, or 9.6%, and adjusted selling, general and administrative expenses (defined below) decreased by $2.1 million, primarily due to lower employee and related costs.

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Selling, general and administrative expenses decreased by $3.8 million, or 8.8%, and adjusted selling, general and administrative expenses decreased by $3.1 million, primarily due to lower employee and related costs.

Net income and adjusted EBITDA

Adjusted EBITDA is defined as net income attributable to Global Brass and Copper Holdings, Inc., plus interest, taxes, depreciation and amortization ("EBITDA") adjusted to exclude the following:

- unrealized gains and losses on derivative contracts in support of our balanced book approach;
- unrealized gains and losses associated with derivative contracts related to energy and utility costs;
- adjustments due to lower of cost or market adjustments to inventory;
- gains and losses due to the depletion of a last-in, first out ("LIFO") layer of metal inventory;
- share-based compensation expense;
- loss on extinguishment of debt;
- income accretion related to Dowa Olin Metal Corporation (the "Dowa Joint Venture")
- restructuring and other business transformation charges;
- specified legal and professional expenses; and
- certain other items.

Net income attributable to Global Brass and Copper Holdings, Inc. is the most directly comparable US GAAP measure to adjusted EBITDA.

We believe adjusted EBITDA represents a meaningful presentation of the financial performance of our core operations, in order to provide period-to-period comparisons that are more consistent and more easily understood. We also believe it is an important supplemental measure that is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted EBITDA is the key metric used by our Chief Operating Decision Maker to evaluate the segment performance in a way that we believe reflects our core operating performance, and in turn, incentivize members of management and certain employees. For example, we use adjusted EBITDA per pound in order to measure the effectiveness of the balanced book approach in reducing the financial impact of metal price volatility on earnings and operating margins, and to measure the effectiveness of our business transformation initiatives in improving earnings and operating margins. In addition, measures similar to adjusted EBITDA are defined and used in our former agreements governing our ABL Facility and Senior Secured Notes, as well as our agreement governing our new asset-based revolving facility that matures on July 19, 2021 ("ABL Credit Agreement") and our new agreement governing our loans under the long-term credit agreement that matures on July 18, 2023 ("Term Loan B Credit Agreement") to determine compliance with various financial covenants and tests.

However, our adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. In addition, it has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under US GAAP. Some of these limitations are that adjusted EBITDA:

- does not reflect every expenditure, future requirements for capital expenditures or contractual commitments;
- does not reflect the significant interest expense or the amounts necessary to service interest or principal payments on our debt;
- does not reflect income tax expense and therefore the cost of complying with applicable laws;
- is an imperfect substitute for cash flow as it eliminates depreciation and amortization expense but does not include cash expended for capital expenditures required to operate our business;
- does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations; and
- does not reflect limitations on our costs related to transferring earnings from our subsidiaries to us.

We compensate for these limitations by using adjusted EBITDA along with other comparative tools, together with US GAAP measurements, to assist in the evaluation of operating performance. Such US GAAP measurements include operating income, net income, cash flows from operations and other cash flow data. We have significant uses of cash, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in adjusted EBITDA.

Net income attributable to Global Brass and Copper Holdings, Inc. is reconciled to adjusted EBITDA as follows:

	Three Months Ended June 30,		**Six Months Ended June 30,**		**QTR Amount change:**	**YTD Amount change:**
(in millions)	**2016**	**2015**	**2016**	**2015**	**2016 vs. 2015**	**2016 vs. 2015**
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 8.4	$ 17.1	$ 20.6	$ 25.2	$ (8.7)	$ (4.6)
Interest expense	7.9	9.9	16.3	19.9	(2.0)	(3.6)
Provision for income taxes	4.6	7.9	11.3	12.4	(3.3)	(1.1)
Depreciation expense	3.7	3.3	7.3	6.6	0.4	0.7
Unrealized (gain) loss on derivative contracts (a)	(0.7)	0.3	(2.6)	(0.7)	(1.0)	(1.9)
Loss on extinguishment of debt (b)	0.4	—	3.3	—	0.4	3.3
Non-cash accretion of income of Dowa Joint Venture (c)	—	—	—	(0.2)	—	0.2
Specified legal / professional expenses (d)	0.2	0.7	0.6	1.8	(0.5)	(1.2)
Lower of cost or market adjustment to inventory (e)	(0.2)	0.6	0.1	2.5	(0.8)	(2.4)
Share-based compensation expense (f)	1.6	1.2	2.7	1.9	0.4	0.8
Restructuring and other business transformation charges (g)	—	—	—	0.9	—	(0.9)
Adjusted EBITDA	$ 25.9	$ 41.0	$ 59.6	$ 70.3	$ (15.1)	$ (10.7)

(a) Represents unrealized gains / losses on derivative contracts.
(b) Represents the loss on extinguishment of debt recognized in connection with the open market purchases of our Senior Secured Notes.
(c) As a result of the application of purchase accounting in connection with the November 2007 acquisition, no carrying value was initially assigned to our equity investment in our Dowa Joint Venture. This adjustment represents the accretion of equity in our Dowa Joint Venture at the date of the acquisition over a 13-year period (i.e., the estimated useful life of the technology and patents of the joint venture). In 2015, we sold our investment in the Dowa Joint Venture.
(d) Represents selected professional fees for accounting, tax, legal and consulting services incurred as a public company that exceed our expected long-term requirements.
(e) Represents the impact of lower of cost or market adjustments to domestic, non-copper metal inventory.
(f) Represents compensation expense resulting from stock compensation awards to certain employees and our Board of Directors.
(g) Restructuring and other business transformation charges in 2015 represent severance charges at Olin Brass.

Three months ended June 30, 2016 compared to three months ended June 30, 2015

Net income attributable to Global Brass and Copper Holdings, Inc. decreased by $8.7 million, or 50.9%, mainly due to the aforementioned decrease in gross profit and the fact that the prior year includes a gain on the sale of our joint venture, partially offset by decreased selling, general and administrative expenses, interest expense and provision for income taxes.

Adjusted EBITDA decreased by $15.1 million, or 36.8%, primarily due to the impact from the aforementioned Olin Brass production outage and the fact that the prior year includes a gain on the sale of our joint venture.

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Net income attributable to Global Brass and Copper Holdings, Inc. decreased by $4.6 million, or 18.3%, mainly due to the aforementioned decrease in gross profit, the fact that the prior year includes a gain on the sale of our joint venture, as well as the current year loss on extinguishment of debt, partially offset by decreased selling, general and administrative expenses, interest expense and provision for income taxes.

Adjusted EBITDA decreased by $10.7 million, or 15.2%, due to the gross profit impact of the aforementioned Olin Brass production outage, the fact that the prior year includes a gain on the sale of our joint venture and the unfavorable product mix within our segments (Olin Brass volumes shifted from the coinage market to the munitions market and Chase volumes shifted from the transportation and industrial machinery and equipment markets to the building and housing market) partially offset by a decrease in selling, general and administrative expenses.

Diluted income per common share and adjusted diluted earnings per common share

Diluted income per common share decreased by $0.41 and $0.22 for the three and six months ended June 30, 2016, respectively, as compared to the same periods in 2015 for the reasons noted above. Diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share is the most directly comparable US GAAP measure to adjusted diluted earnings per common share. Adjusted diluted earnings per common share is defined as diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share adjusted to remove the after-tax impact of the add backs to EBITDA in calculating adjusted EBITDA.

We believe adjusted diluted earnings per common share represents a meaningful presentation of the financial performance of our consolidated results, in order to provide period-to-period comparisons that are more consistent and more easily understood. We also believe it is an important supplemental measure that is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted diluted earnings per share is the key metric used by our Chief Operating Decision Maker to evaluate the Company's performance, and in turn, incentivize members of management and certain employees.

We believe that adjusted diluted earnings per common share supplements our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons.

Diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share is reconciled to adjusted diluted earnings per common share as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		QTR Amount change:	YTD Amount change:
	2016	2015	2016	2015	2016 vs. 2015	2016 vs. 2015
Diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share	$ 0.39	$ 0.80	$ 0.96	$ 1.18	$ (0.41)	$ (0.22)
Unrealized (gain) loss on derivative contracts	(0.03)	0.02	(0.12)	(0.03)	(0.05)	(0.09)
Loss on extinguishment of debt	0.02	—	0.15	—	0.02	0.15
Non-cash accretion of income of Dowa Joint Venture	—	—	—	(0.01)	—	0.01
Specified legal / professional expenses	0.01	0.03	0.03	0.08	(0.02)	(0.05)
Lower of cost or market adjustment to inventory	(0.01)	0.03	—	0.12	(0.04)	(0.12)
Share-based compensation expense	0.08	0.06	0.13	0.09	0.02	0.04
Restructuring and other business transformation charges	—	—	—	0.05	—	(0.05)
Tax impact on above adjustments (a)	$ (0.03)	$ (0.05)	$ (0.07)	$ (0.11)	$ 0.02	$ 0.04
Adjusted diluted earnings per common share	$ 0.43	$ 0.89	$ 1.08	$ 1.37	$ (0.46)	$ (0.29)

(a) Calculated based on our estimated tax rate.

Results of Operations

Consolidated Results of Operations for the Three Months Ended June 30, 2016, Compared to the Three Months Ended June 30, 2015.

	Three Months Ended June 30,				Change: 2016 vs. 2015	
(in millions)	**2016**	**% of Net Sales**	**2015**	**% of Net Sales**	**Amount**	**Percent**
Net sales	$ 337.9	100.0%	$ 414.9	100.0%	$ (77.0)	(18.6)%
Cost of sales	(296.6)	87.8%	(364.6)	87.9%	68.0	(18.7)%
Gross profit	41.3	12.2%	50.3	12.1%	(9.0)	(17.9)%
Selling, general and administrative expenses	(19.8)	5.9%	(21.9)	5.3%	2.1	(9.6)%
Operating income	21.5	6.4%	28.4	6.8%	(6.9)	(24.3)%
Interest expense	(7.9)	2.3%	(9.9)	2.4%	2.0	(20.2)%
Loss on extinguishment of debt	(0.4)	0.1%	—	—%	(0.4)	N/A
Gain on sale of investment in joint venture	—	—%	6.3	1.5%	(6.3)	(100.0)%
Other income, net	—	—%	0.2	—%	(0.2)	(100.0)%
Income before provision for income taxes and equity income	13.2	3.9%	25.0	6.0%	(11.8)	(47.2)%
Provision for income taxes	(4.6)	1.4%	(7.9)	1.9%	3.3	(41.8)%
Income before equity income	8.6	2.5%	17.1	4.1%	(8.5)	(49.7)%
Equity income, net of tax	—	—%	0.1	—%	(0.1)	(100.0)%
Net income	8.6	2.5%	17.2	4.1%	(8.6)	(50.0)%
Less: Net income attributable to noncontrolling interest	(0.2)	0.1%	(0.1)	—%	(0.1)	100.0 %
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 8.4	2.5%	$ 17.1	4.1%	$ (8.7)	(50.9)%
Adjusted EBITDA (a)	$ 25.9	7.7%	$ 41.0	9.9%	$ (15.1)	(36.8)%

____

(a) See “Management’s View of Performance —Net income and adjusted EBITDA.”

N/A - not applicable

The following discussions present an analysis of our results of operations for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015. See “Management’s View of Performance” for discussions of net sales, adjusted sales, gross profit, adjusted gross profit, selling, general and administrative expenses, adjusted selling, general and administrative expenses, net income attributable to Global Brass and Copper Holdings, Inc., adjusted EBITDA, diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share and adjusted diluted earnings per common share. These discussions should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

Interest expense

Interest expense decreased by $2.0 million primarily due to lower average principal borrowings on our debt facilities as we bought back an aggregate of $69.7 million of our Senior Secured Notes in the open market during the latter half of 2015 and the first half of 2016.

The following table summarizes the components of interest expense:

	Three Months Ended June 30,		Change: 2016 vs. 2015
(in millions)	2016	2015	Amount
Interest on principal	$ 7.4	$ 9.0	$ (1.6)
Amortization of debt issuance costs	0.6	0.7	(0.1)
Capitalized interest	(0.3)	—	(0.3)
Other borrowing costs (a)	0.2	0.2	—
Total interest expense	$ 7.9	$ 9.9	$ (2.0)

(a) Includes unused line of credit fees.

Loss on extinguishment of debt

In the second quarter ended June 30, 2016, we bought back an aggregate of $4.5 million principal amount of our Senior Secured Notes for an aggregate purchase price of $4.8 million, plus accrued interest. As a result of these purchases, we recognized a loss on the extinguishment of debt of $0.4 million, which includes a premium of $0.3 million and the write-off of $0.1 million of unamortized debt issuance costs.

Gain on sale of investment in joint venture

In April 2015, we sold our 50% share of the Dowa Joint Venture to Dowa Co. for $8.0 million. During the three months ended June 30, 2015, we recognized a gain of $6.3 million and related tax expense of $1.5 million on the sale.

Provision for income taxes

The provision for income taxes decreased by $3.3 million, due primarily to a decrease in income before provision for income taxes and equity income, the components of which are discussed elsewhere in this report. The effective income tax rate increased from 31.6% to 34.8%, resulting from a decrease in the utilization of foreign tax credits due to the 2015 sale of our investment in joint venture and a slight decrease in the domestic manufacturing deduction.

Segment Results of Operations

Segment Results of Operations for the Three Months Ended June 30, 2016, Compared to the Three Months Ended June 30, 2015.

The following discussions present an analysis of our results by segment for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

	Three Months Ended June 30,		Change: 2016 vs. 2015	
(in millions)	2016	2015	Amount	Percent
Pounds shipped (a)				
Olin Brass	62.7	71.0	(8.3)	(11.7)%
Chase Brass	58.0	53.8	4.2	7.8 %
A.J. Oster	19.3	19.2	0.1	0.5 %
Corporate and other (b)	(8.2)	(11.2)	3.0	26.8 %
Total	131.8	132.8	(1.0)	(0.8)%
Net sales				
Olin Brass	$ 155.0	$ 207.8	$ (52.8)	(25.4)%
Chase Brass	129.8	142.7	(12.9)	(9.0)%
A.J. Oster	71.2	80.2	(9.0)	(11.2)%
Corporate and other (b)	(18.1)	(15.8)	(2.3)	(14.6)%
Total	$ 337.9	$ 414.9	$ (77.0)	(18.6)%
Adjusted EBITDA				
Olin Brass	$ 7.8	$ 17.7	$ (9.9)	(55.9)%
Chase Brass	18.0	17.1	0.9	5.3 %
A.J. Oster	4.6	4.7	(0.1)	(2.1)%
Total adjusted EBITDA of operating segments	$ 30.4	$ 39.5	$ (9.1)	(23.0)%
Corporate and other	(4.5)	1.5	(6.0)	N/M
Total consolidated adjusted EBITDA	$ 25.9	$ 41.0	$ (15.1)	(36.8)%

____

(a) Amounts exclude quantity of unprocessed metal sold.
(b) Amounts represent intercompany eliminations.
N/M - not meaningful

See Note 3, “Segment Information,” of our unaudited consolidated financial statements, which are included elsewhere in this report, for a reconciliation of adjusted EBITDA of segments to income before provision for income taxes and equity income.

Olin Brass

Net sales decreased by $52.8 million as the metal cost recovery component decreased by $43.9 million. The decrease is due to lower sales of unprocessed metal, decreased metal prices and unfavorable product mix fluctuations ($32.8 million). Decreased volumes resulting from the production outage contributed $11.1 million to the decrease in net sales. Adjusted sales decreased by $8.9 million due to these lower volumes as well.

Volumes decreased, mostly due to the production outage, which deferred some volumes from the first half to the second half of 2016. Additionally, volumes in the coinage market decreased due to underlying demand.

Adjusted EBITDA decreased by $9.9 million, due primarily to the production outage and decreased volumes. We carry various types of insurance, including property and business interruption insurance and are actively seeking recovery from our insurance carrier for losses in excess of our $2.5 million deductible.

Chase Brass

Net sales decreased by $12.9 million as the metal cost recovery component of net sales declined due to decreased metal prices ($21.8 million), partially mitigated by increased volumes ($8.2 million). Adjusted sales increased by $0.7 million due to increased volumes ($2.7 million) and decreased pricing ($2.0 million) resulting from unfavorable product mix fluctuations and decreased metal margins.

Volumes increased in the building and housing market and decreased in the industrial and machinery equipment and transportation markets due to demand.

Adjusted EBITDA increased by $0.9 million due to the increase in volumes and decreased manufacturing conversion costs, partially offset by unfavorable product mix fluctuations.

A.J. Oster

Net sales decreased by $9.0 million due to decreased metal prices ($11.4 million). While volumes were relatively flat, adjusted sales increased by $2.1 million primarily due to favorable pricing as A.J. Oster continues to pass on certain price increases from its sister company Olin Brass. Both entities are focusing on pricing their products in order to earn a return that better reflects the complexity of the products being produced and the assets used to produce them.

Adjusted EBITDA was also relatively flat, although the impact of favorable pricing was dampened by certain price increases from Olin Brass.

Results of Operations

Consolidated Results of Operations for the Six Months Ended June 30, 2016, Compared to the Six Months Ended June 30, 2015.

	Six Months Ended June 30,				Change: 2016 vs. 2015	
(in millions)	2016	% of Net Sales	2015	% of Net Sales	Amount	Percent
Net sales	$ 666.8	100.0%	$ 815.1	100.0%	$ (148.3)	(18.2)%
Cost of sales	(576.0)	86.4%	(720.9)	88.4%	144.9	(20.1)%
Gross profit	90.8	13.6%	94.2	11.6%	(3.4)	(3.6)%
Selling, general and administrative expenses	(39.5)	5.9%	(43.3)	5.3%	3.8	(8.8)%
Operating income	51.3	7.7%	50.9	6.2%	0.4	0.8 %
Interest expense	(16.3)	2.4%	(19.9)	2.4%	3.6	(18.1)%
Loss on extinguishment of debt	(3.3)	0.5%	—	—%	(3.3)	N/A
Gain on sale of investment in joint venture	—	—%	6.3	0.8%	(6.3)	(100.0)%
Other income, net	0.4	0.1%	0.1	—%	0.3	N/M
Income before provision for income taxes and equity income	32.1	4.8%	37.4	4.6%	(5.3)	(14.2)%
Provision for income taxes	(11.3)	1.7%	(12.4)	1.5%	1.1	(8.9)%
Income before equity income	20.8	3.1%	25.0	3.1%	(4.2)	(16.8)%
Equity income, net of tax	—	—%	0.3	—%	(0.3)	(100.0)%
Net income	20.8	3.1%	25.3	3.1%	(4.5)	(17.8)%
Net income attributable to noncontrolling interest	(0.2)	—%	(0.1)	—%	(0.1)	100.0 %
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 20.6	3.1%	$ 25.2	3.1%	$ (4.6)	(18.3)%
Adjusted EBITDA (a)	$ 59.6	8.9%	$ 70.3	8.6%	$ (10.7)	(15.2)%

(a) See “Management’s View of Performance—Net income and adjusted EBITDA.”
N/A - not applicable
N/M - not meaningful

The following discussions present an analysis of our results of operations for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. See "Management's View of Performance" for discussions of net sales, adjusted sales, gross profit, adjusted gross profit, selling, general and administrative expenses, adjusted selling, general and administrative expenses, net income attributable to Global Brass and Copper Holdings, Inc., adjusted EBITDA, diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share and adjusted diluted earnings per common share. These discussions should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

Interest expense

Interest expense decreased by $3.6 million primarily due to lower average principal borrowings on our debt facilities as we bought back an aggregate of $69.7 million of our Senior Secured Notes in the open market during the latter half of 2015 and the first half of 2016.

The following table summarizes the components of interest expense:

	Six Months Ended June 30,		Amount change:
(in millions)	2016	2015	2016 vs. 2015
Interest on principal	$ 15.1	$ 18.0	$ (2.9)
Amortization of debt issuance costs	1.3	1.4	(0.1)
Capitalized interest	(0.6)	—	(0.6)
Other borrowing costs (a)	0.5	0.5	—
Total interest expense	$ 16.3	$ 19.9	$ (3.6)

(a) Includes fees related to letters of credit and unused line of credit fees.

Loss on extinguishment of debt

During the six months ended June 30, 2016, we bought back an aggregate of $40.0 million principal amount of our Senior Secured Notes for an aggregate purchase price of $42.5 million, plus accrued interest. As a result of these purchases, we recognized a loss on the extinguishment of debt of $3.3 million, which includes a premium of $2.5 million and the write-off of $0.8 million of unamortized debt issuance costs.

Gain on sale of investment in joint venture

In April 2015, we sold our 50% share of the Dowa Joint Venture to Dowa Co. for $8.0 million. During the six months ended June 30, 2015, we recognized a gain of $6.3 million and related tax expense of $1.5 million on the sale.

Provision for income taxes

The provision for income taxes decreased by $1.1 million, due to a decrease in income before provision for income taxes and equity income, the components of which are discussed elsewhere in this report. The effective income tax rate increased to 35.2%, from 33.2% in prior year, resulting from a decrease in the utilization of foreign tax credits due to the 2015 sale of our investment in joint venture and a slight decrease in the domestic manufacturing deduction.

Segment Results of Operations

Segment Results of Operations for the Six Months Ended June 30, 2016, Compared to the Six Months Ended June 30, 2015.

The following discussions present an analysis of our results by segment for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

	Six Months Ended June 30,		Change: 2016 vs. 2015	
(in millions)	2016	2015	Amount	Percent
Pounds shipped (a)				
Olin Brass	126.2	130.9	(4.7)	(3.6)%
Chase Brass	117.3	115.2	2.1	1.8 %
A.J. Oster	38.2	37.3	0.9	2.4 %
Corporate and other (b)	(18.6)	(22.0)	3.4	15.5 %
Total	263.1	261.4	1.7	0.7 %
Net sales				
Olin Brass	$ 306.8	$ 392.5	$ (85.7)	(21.8)%
Chase Brass	258.0	299.1	(41.1)	(13.7)%
A.J. Oster	140.4	155.0	(14.6)	(9.4)%
Corporate and other (b)	(38.4)	(31.5)	(6.9)	(21.9)%
Total	$ 666.8	$ 815.1	$ (148.3)	(18.2)%
Adjusted EBITDA				
Olin Brass	$ 21.1	$ 27.0	$ (5.9)	(21.9)%
Chase Brass	37.2	38.5	(1.3)	(3.4)%
A.J. Oster	9.7	8.2	1.5	18.3 %
Total adjusted EBITDA of operating segments	$ 68.0	$ 73.7	$ (5.7)	(7.7)%
Corporate and other	(8.4)	(3.4)	(5.0)	N/M
Total consolidated adjusted EBITDA	$ 59.6	$ 70.3	$ (10.7)	(15.2)%

(a) Amounts exclude quantity of unprocessed metal sold.
(b) Amounts represent intercompany eliminations.
N/M - not meaningful

See Note 3, "Segment Information," of our unaudited consolidated financial statements, which are included elsewhere in this report, for a reconciliation of adjusted EBITDA of segments to income before provision for income taxes and equity income.

Olin Brass

Net sales decreased by $85.7 million as the metal cost recovery component decreased by $78.1 million due to decreased metal prices ($72.4 million) and decreased volumes ($5.7 million). Adjusted sales decreased by $7.6 million due to decreased volumes ($5.3 million) resulting from the production outage. Also, unfavorable product mix changes contributed $2.3 million to the decrease as volumes were more concentrated in munitions and less in coinage.

We expect a significant portion of the volumes lost in the second quarter of 2016 due to the production outage to be shifted into the second half of the year.

Adjusted EBITDA decreased by $5.9 million primarily due to the impact of the previously discussed production outage, decreased volumes and the unfavorable changes in product mix noted above. These were partially offset by decreased selling, general and administrative expenses.

Chase Brass

Net sales decreased by $41.1 million as the metal cost recovery component declined by $37.7 million due to lower metal prices ($42.0 million), partially ameliorated by increased volumes ($4.3 million). Adjusted sales decreased by $3.4 million, which was the result of decreased pricing ($4.8 million) and improved volumes ($1.4 million). Pricing decreased both as a result of unfavorable product mix fluctuations, as well as in response to competition in the market.

Volumes increased in the building and housing market and decreased in the transportation and industrial machinery and equipment markets, all due to underlying demand.

Adjusted EBITDA decreased by $1.3 million predominantly due to the decreased pricing, partially ameliorated by a variety of other factors.

A.J. Oster

Net sales decreased by $14.6 million, as the metal cost recovery component declined by $20.0 million due to lower metal prices ($22.2 million), somewhat mitigated by increased volumes ($2.2 million). Adjusted sales increased by $5.4 million due to the impact of increased selling prices ($3.8 million) and increased volume ($1.6 million). A.J. Oster continues to pass on certain price increases from its sister company Olin Brass. Both entities are focusing on pricing their products in order to earn a return that better reflects the complexity of the products being produced and the assets used to produce them.

Volumes increased primarily due to increased demand in the electronics / electrical components markets.

Adjusted EBITDA increased by $1.5 million, due to the impact of increased selling prices, which were partially offset by increased pricing from Olin Brass.

Changes in Financial Condition

The following discussion presents an analysis of fluctuations in certain asset, liability and equity components of our consolidated balance sheet as of June 30, 2016 as compared to the amounts as of December 31, 2015. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

June 30, 2016 compared to December 31, 2015

Cash decreased by $24.6 million due to our Senior Secured Notes buybacks during the first half of 2016 and other factors as detailed in our consolidated statement of cash flows for the six months ended June 30, 2016.

Accounts receivable increased by $18.4 million due to increased volumes.

Accounts payable increased by $16.4 million due to an increase in days payable outstanding.

Accrued liabilities decreased by $19.5 million as annual incentive compensation awards were paid in the first half of the year and additionally, certain workers' compensation liabilities were reclassified to noncurrent liabilities as of June 30, 2016.

Our non-current portion of debt decreased by $39.0 million, reflective of our buying back $40.0 million of principal amount of Senior Secured Notes.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary uses of cash are to fund working capital, operating expenses, debt service and capital expenditures. Historically, our primary sources of short-term liquidity have been cash flow from operations and borrowings under our ABL Facility. Holdings derives all of its cash flow from its subsidiaries, including GBC, and receives dividends, distributions and other payments from them to generate the funds necessary to meet its financial obligations. However, Holdings is a holding company with no operations, no employees and no assets other than its investment in GBC. All of our operations are conducted at GBC and its subsidiaries. GBC is also the primary obligor on our indebtedness, and Holdings has no indebtedness other than its guarantee of GBC's indebtedness.

As of June 30, 2016, our debt facilities consisted of our senior secured notes and an asset-based revolving credit facility, both of which were refinanced subsequent to June 30, 2016.

We entered into the 2016 ABL Credit Agreement and the Term Loan B Credit Agreement (together, the "Credit Agreements") on July 18, 2016, which contain various customary covenants that limit or prohibit our ability, among other things, to (i) incur or guarantee additional indebtedness; (ii) pay certain dividends on our capital stock or redeem, repurchase, retire or make distributions in respect of our capital stock or subordinated indebtedness or make certain other restricted payments; (iii) make certain loans, acquisitions, capital expenditures or investments; (iv) sell certain assets, including stock of our subsidiaries; (v) enter into certain sale and leaseback transactions; (vi) create or incur certain liens; (vii) consolidate, merge, sell, transfer or otherwise dispose of all or substantially all of our assets; (viii) enter into certain transactions with our affiliates; and (ix) engage in certain business activities.

We do not believe that the restrictions on dividends and distributions to Holdings and its equityholders imposed by the terms of our debt agreements have any impact on our liquidity, financial condition or results of operations. We believe that these resources will be sufficient to meet our working capital and debt service needs for the foreseeable future, including costs that we may incur in connection with our growth strategy.

Cash Flows

The following table presents the summary components of net cash provided by (used in) operating, investing and financing activities for the periods indicated. The following discussion presents an analysis of cash flows for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015 and should be read in conjunction with our consolidated statements of cash flows in our unaudited consolidated financial statements included elsewhere in this report.

Cash Flow Analysis	**Six Months Ended June 30,**		**Change: 2016 vs. 2015**
(in millions)	**2016**	**2015**	**Amount**
Cash flows provided by operating activities	$ 35.2	$ 35.7	$ (0.5)
Cash flows (used in) provided by investing activities	$ (14.3)	$ 0.4	$ (14.7)
Cash flows used in financing activities	$ (45.2)	$ (2.4)	$ (42.8)

Cash flows from operating activities

Net cash provided by operating activities decreased by $0.5 million, as the result of incentive compensation payments and increased days sales outstanding due to the timing of sales and payments. These unfavorable fluctuations were offset by an increase in cash generated from earnings and improved inventory management.

Cash flows from investing activities

Our cash flows from investing activities decreased by $14.7 million due to increased capital spending and due to the absence of the prior year benefit of $8.0 million in proceeds for the sale of our investment in the Dowa Joint Venture.

Cash flows from financing activities

Net cash used in financing activities increased by $42.8 million, as we used $42.5 million of cash to buy back our Senior Secured Notes in the open market.

Outstanding Indebtedness

As described in Note 7, "Financing," we made some open market purchases of our Senior Secured Notes, and on July 18, 2016, we refinanced our outstanding debt as of June 30, 2016.

The ABL Facility and the Indenture contained various covenants to which we are subject to on an ongoing basis. At June 30, 2016, we were in compliance with all of these covenants.

For additional information regarding our ABL Facility, the Indenture governing the Senior Secured Notes and our capital lease obligations, see Note 7, "Financing," to our unaudited consolidated financial statements, which are included elsewhere in this report, and our Annual Report on Form 10-K filed with the SEC on March 9, 2016 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources." Additionally, see Note 7, "Financing," for additional information regarding our refinancing that was completed on July 18, 2016.

Debt Purchase Authorization

Our Board of Directors authorized the purchase, subject to market conditions and other factors, of up to $150 million of our Senior Secured Notes in the open market or privately negotiated transactions. We purchased $40.0 million ($42.5 million including premium) in the first half of 2016 of our Senior Secured Notes in the open market prior to redeeming all of the remaining Senior Secured Notes on July 18, 2016. See Note 7, "Financing," for additional information regarding the redemption of the remaining Senior Secured Notes.

Recently Issued and Recently Adopted Accounting Pronouncements

For information on recently issued and recently adopted accounting pronouncements, see the notes to our unaudited consolidated financial statements, which are included elsewhere in this report.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There is no material change in the information reported under Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” contained in our Annual Report on Form 10-K filed with the SEC on March 9, 2016.

For information regarding derivative contracts that the Company uses to limit its exposure to fluctuations in commodity prices, thereby exposing itself to credit risk and market risk, see the notes to our unaudited consolidated financial statements, which are included elsewhere in this report.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Under applicable SEC regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the Company’s “disclosure controls and procedures,” which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the SEC (such as this Form 10-Q) is i) recorded, processed, summarized, and reported on a timely basis, and ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

The Company’s management, with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures as of June 30, 2016. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2016, the design and operation of our disclosure controls and procedures were effective to provide reasonable assurance that the desired control objectives were achieved.

(b) Changes in internal controls

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are currently, and from time to time, involved in a variety of claims, lawsuits and other disputes arising in the ordinary course of business, none of which management currently believes are, or will be, material to our business. For a discussion of risks related to various legal proceedings and claims, see the risk factors described in our Annual Report on Form 10-K filed with the SEC on March 9, 2016.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K under "Item 1A — Risk Factors" filed with the SEC on March 9, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities

None.

Purchases of Equity Securities

	Issuer Purchases of Equity Securities			
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
April 1, 2016 through April 30, 2016	9,820	$ 25.20	*	*
May 1, 2016 through May 31, 2016	5,091	$ 26.66	*	*
June 1, 2016 through June 30, 2016	—	$ —	*	*
Total	14,911	$ 25.70	*	*

* These amounts are not applicable as we do not have a share repurchase program in effect.

(1) Common stock purchased during the three months ended June 30, 2016 represented shares which were surrendered to the Company by participants under share-based compensation plans to satisfy tax withholding obligations relating to the vesting of equity awards.

Limitations Upon the Payment of Dividends

Both the ABL Facility and the Indenture governing the 9.50% Senior Secured Notes due 2019 contain restrictions as to the payment of dividends. See Note 11, "Financing," of our audited consolidated financial statements in our Annual Report on Form 10-K filed with the SEC on March 9, 2016 for further discussion of these restrictive covenants.

Additionally, we entered into new agreements governing the 2016 ABL Facility and the Term Loan on July 18, 2016, which both contain restrictions as to the payment of dividends. As of July 18, 2016, we no longer have any Senior Secured Notes outstanding. See Note 7, "Financing," for further discussion of these restrictive covenants.

Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
10.1	Form of Performance Share Award Agreement under the Global Brass and Copper Holdings, Inc. 2013 Omnibus Equity Incentive Plan, as amended*
10.2	Severance Agreement, by and among Christopher J. Kodosky, Global Brass and Copper Holdings, Inc., and Global Brass and Copper, Inc., dated July 11, 2016*
10.3	ABL Credit Agreement, dated as of July 18, 2016, among the Company, Global Brass and Copper, Inc., as Borrower, the loan guarantors party thereto, the lenders party thereto, Bank of America, N.A. and Wells Fargo Bank, National Association, as Co-Syndication Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent.***
10.4	Term Loan B Credit Agreement, dated as of July 18, 2016, among the Company, Global Brass and Copper, Inc., as Borrower, the loan guarantors party thereto, the lenders party thereto, Bank of America, N.A. Wells Fargo Bank, National Association, and Deutsche Bank Securities Inc., as Co-Syndication Agents, Branch Banking and Trust Company, Keybank National Association and William Blair & Company, L.L.C. as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent.***
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith

** Furnished herewith

*** Filed on Form 8-K of Global Brass and Copper Holdings, Inc. on July 22, 2016 and incorporated by reference herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL BRASS AND COPPER HOLDINGS, INC

By: */s/ Christopher J. Kodosky*

Christopher J. Kodosky
Chief Financial Officer

Date: August 5, 2016

Exhibit 10.1

GLOBAL BRASS AND COPPER HOLDINGS, INC.
2016 PERFORMANCE SHARE AWARD AGREEMENT

THIS PERFORMANCE SHARE AWARD AGREEMENT (the "Agreement"), effective as of February 11, 2016 (the "Date of Grant"), is made by and between Global Brass and Copper Holdings, Inc., a Delaware corporation (the "Company"), and [ ] (the "Participant").

WHEREAS, the Company has adopted the Global Brass and Copper Holdings, Inc. 2013 Omnibus Equity Incentive Plan (the "Plan"), pursuant to which Performance Shares may be granted;

WHEREAS, the Company at its 2016 annual meeting of stockholders intends to seek stockholder approval to amend the Plan to, among other provisions, increase the amount of common stock which may be awarded; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") has determined that it is in the best interests of the Company and its stockholders to grant the Performance Shares provided for herein to the Participant subject to the terms set forth herein.

NOW, THEREFORE, for and in consideration of the promises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Performance Shares.

(a) Grant. Subject to the terms and conditions set forth in this Agreement and as otherwise provided in the Plan, the Company grants the Participant [ ] performance shares (the "Performance Shares"). This grant is contingent upon the stockholders of the Company approving an increase in the number of shares available for issuance under the amended Plan at the Company's 2016 annual meeting of stockholders. Unless and until an increase in the number of shares available for issuance under the amended Plan is approved by stockholders of the Company at such meeting, no shares of Common Stock (or certificates representing such shares) shall be issued to the Participant respecting vested Performance Shares.

The Performance Shares shall be credited to a separate book-entry account maintained for the Participant on the books of the Company. Shares of Common Stock underlying the Performance Shares, to the extent earned in accordance with Exhibit A, shall be issued and delivered to the Participant as follows: one half of the Performance Shares earned as of the end of the Performance Period shall be issued to the Participant on or within thirty (30) calendar days following the determination in 2018 (but in no event later than December 31, 2018) by the Board or an appropriate committee thereof that Performance Shares have been earned by the Participant (the "Initial Vesting Date"), and the remaining one half of the Performance Shares earned as of the end of the Performance Period shall be issued to the Participant on the first anniversary of the Initial Vesting Date (collectively, the "Vesting Dates") provided that, except as provided in Section 3 hereof, the Participant is in the employ of the Company or its Affiliates on each applicable Vesting Date.

(b) Incorporation by Reference, Etc. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the meaning as set forth in the Plan. In the event of a conflict between the Plan and this Agreement, the terms and conditions of the Plan shall govern. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant's legal representative in respect of any questions arising under the Plan or this Agreement.

(c) Acceptance of Agreement. The Participant agrees to be bound by the terms of this Agreement and the Plan. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three (3) business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

2. Dividend Equivalents. Each Performance Share shall be credited with Dividend Equivalents, which shall be withheld by the Company in a separate book-entry account maintained for the Participant on the books of the Company. Dividend Equivalents credited to the Participant's account and attributable to a Performance Share shall be distributed (without interest) to the Participant at the same time as the underlying Common Stock is delivered upon settlement of such Performance Share and, if such Performance Share is forfeited, the Participant shall have no right to such Dividend Equivalents.

3. Termination of Employment; Change of Control. Except as provided in this Section 3, if the Participant's employment with the Company or any Affiliate, as applicable, terminates for any reason, then all unvested Performance Shares shall be cancelled immediately and the Participant shall immediately forfeit any rights to such Performance Shares.

(a) If, following a Change in Control, the Participant's employment or service is terminated by the Company without Cause, by the Participant for Good Reason (as defined in the Participant's employment, severance protection agreement or similar agreement, provided that if no such agreement exists or no definition of Good Reason is provided therein, then Good Reason shall not exist), or due to the Participant's death or Disability, the requirement that the Participant remain in the employ of the Company or its Affiliates on the applicable Vesting Date shall be waived and the Participant shall receive payment in respect of the Performance Shares on or within thirty (30) calendar days following employment termination, as follows:

(i) if termination is before the Initial Vesting Date, (A) the total number of Performance Shares that would have been earned based on actual performance through the date of termination, as determined by the Committee, or (B) if the Committee determines that measurement of actual performance cannot be reasonably assessed, the total number of Performance Shares that would have been earned based on the assumed achievement of target performance, as determined by the Committee, in either case, multiplied by a fraction, the numerator of which is the number of days elapsed between January 1, 2016 and the date of the Participant's termination of employment or service, and the denominator of which is 1,095, and that number of Performance Shares shall be distributed, and

(ii) if termination is after the Initial Vesting Date, the remaining one half of the Performance Shares that were earned as of the end of the Performance Period based on actual performance, but are not scheduled to be distributed until the first anniversary of the Initial Vesting Date, shall be multiplied by a fraction, the numerator of which is the number of days elapsed between January 1, 2016 and the date of the Participant's termination of employment or service, and the denominator of which is 1,095, and those Performance Shares shall be distributed.

(b) In the event of the Participant's death, Disability, or retirement on or after the Participant has both attained age sixty (60) years and completed at least five (5) years of employment with or services to the Company or its Affiliates, the requirement that the Participant remain in the employ of the Company or its Affiliates on the applicable Vesting Date shall be waived and the Participant shall receive payment in respect of the Performance Shares for the Performance Period, if any, in accordance with Section 1(a), as follows:

(i) if termination is before the Initial Vesting Date, the total number of Performance Shares that would have been earned based on actual performance for the Performance Period shall be multiplied by a fraction, the numerator of which is the number of days elapsed between January 1, 2016 and the date of the Participant's termination of employment or service, and the denominator of which is 1,095, and that number of Performance Shares shall be distributed on or within thirty (30) calendar days following the determination of performance for the Performance Period, and

(ii) if termination is after the Initial Vesting Date, the remaining one half of the Performance Shares that were earned as of the end of the Performance Period based on actual performance, but are not scheduled to be distributed until the first anniversary of the Initial Vesting Date, shall be multiplied by a fraction, the numerator of which is the number of days elapsed between January 1, 2016 and the date of the Participant's termination of employment or service, and the denominator of which is 1,095, and those Performance Shares shall be distributed on or within thirty (30) calendar days following the employment termination.

4. Rights as a Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock underlying the Performance Shares unless, until and to the extent that (i) the Company shall have issued and delivered to the Participant the shares of Common Stock underlying the Performance Shares and (ii) the Participant's name shall have been entered as a stockholder of record with respect to such shares on the books of the Company.

5. Compliance with Legal Requirements.

(a) Generally. The granting and settlement of the Performance Shares, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, provincial, state, local, and foreign laws, rules, and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee shall have the right to impose such restrictions on the Performance Shares as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which such Performance Shares are then listed or traded, and/or any blue sky or state securities laws applicable to such Performance Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant. The Participant agrees to take all steps the Committee or the Company determines are necessary to comply with all applicable provisions of federal and state securities law in exercising the Participant's rights under this Agreement.

(b) Tax Withholding. Vesting and settlement of the Performance Shares shall be subject to the Participant satisfying any applicable federal, state, local, and foreign tax withholding obligations. The Company shall withhold from all amounts payable to the Participant in connection with the Performance Shares of Common Stock to satisfy any applicable taxes required by law.

6. Clawback/Forfeiture. Notwithstanding anything to the contrary contained herein, the Committee may, in its sole discretion, cancel this Performance Share award if the Participant, without the consent of the Company, while employed by or providing services to the Company or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement, or otherwise has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. Further, if the Participant otherwise has engaged in or engages in any activity referred to in the preceding sentence, the Participant shall forfeit any compensation, gain or other value realized thereafter on the vesting or settlement of this Performance Share award, the sale or other transfer of this Performance Share award, or the sale of shares of Common Stock acquired in respect of this Performance Share award, and must promptly repay such amounts to the Company. In addition, if the Participant receives any amount in excess of what the Participant should have received under the terms of this Performance Share award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee in its sole discretion, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law (including without limitation Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of NYSE or other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, this Performance Share award shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

7. Miscellaneous.

(a) Transferability. The Performance Shares may not be assigned, alienated, pledged, attached, sold, gifted, loaned or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 15(b) of the Plan. In addition, the Participant agrees to comply with any written holding requirement policy adopted by the Company for employees.

(b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(c) Section 409A. The Performance Shares are intended to be exempt from, or compliant with, Code Section 409A. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Code Section 409A or could cause the Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid the incurrence of taxes, interest and penalties under Code Section 409A, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Code Section 409A. This Section 7(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the Performance Shares will not be subject to interest and penalties under Section 409A. References to termination of employment in this Agreement shall be construed to mean a separation from service within the meaning of Code Section 409A. To the extent that the Participant is a "specified employee" within the meaning of Section 409A as of the date of the Participant's separation from service, no amount that constitutes deferred compensation subject to Section 409A that is payable upon account of the Participant's separation from service will be paid before the date that is the first day of the seventh month following the separation from service or, if earlier, the date of the Participant's death (the "Delayed

Payment Date"). All such amounts that would be paid, but for the preceding sentence, before the Delayed Payment Date will be accumulated and paid as soon as practicable following the Delayed Payment Date.

(d) General Assets. All amounts credited in respect of the Performance Shares to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.

(e) Notices. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel at the Company's principal executive office.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Employment. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(h) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from an adjustment of the Performance Shares pursuant to Section 12 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount equal to the Fair Market Value of such fractional share.

(i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. Any notice should be made to the attention of the General Counsel of the Company at the Company's principal executive office. If no designated beneficiary survives the Participant, the Participant's estate shall be deemed to be the Participant's beneficiary.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(k) Securities Laws. The Participant agrees that the obligation of the Company to issue Performance Shares shall also be subject, as conditions precedent, to compliance with applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, state securities or corporation laws, rules and regulations under any of the foregoing and applicable requirements of any securities exchange upon which the Company's securities shall be listed.

(l) Performance Compensation Award. The Performance Shares granted under this Agreement shall be a Performance Compensation Award intended to qualify as "performance-based compensation" under Code Section 162(m), to the extent Code Section 162(m) is reasonably expected to apply.

(m) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto. No change, modification, or waiver of any provision of this Agreement shall be valid unless in writing and signed by the parties hereto, except for any changes permitted without consent under Section 12 of the Plan.

(n) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware. The Participant submits to the in personam jurisdiction of the federal and state courts in the district or county, respectively, in which Schaumburg, Illinois is situate and agrees that such courts shall be the sole and exclusive forum for the resolution of any disputes regarding the Plan or this Agreement.

(o) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(p) Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

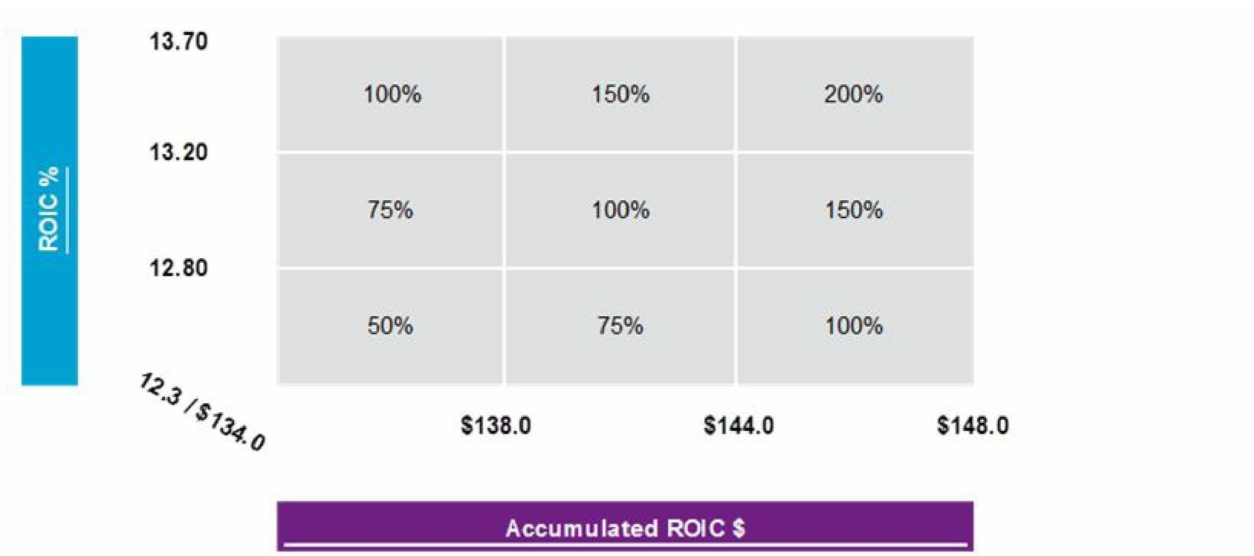
GLOBAL BRASS AND COPPER HOLDINGS, INC.

By: ___________________________________
Name: ________________________________
Title: _________________________________

____
[insert name of Participant]

SCHEDULE A

Subject to the terms and conditions of the Agreement, the Participant shall be granted [ ] Performance Shares, subject to the achievement of ROIC (as further set forth below) for the Performance Period. The number of Performance Shares that are earned by the Participant shall be based on the ROIC achievement as set forth in the chart below, and such earned Performance Shares (if any) shall be settled in Shares of Common Stock and delivered to the Participant as set forth in Section 1(a) of the Agreement.



*The accumulated ROIC dollars and the ROIC percentage have been derived by management using its 3-year projections

Notwithstanding the foregoing, no more than 100% of the Performance Shares shall be earned unless the average of the closing prices of the Company's Common Stock over the last twenty (20) trading days of 2017 (the end of the Performance Period) equals at least $23.00 (adjusted for dividends, cash distributions and change in capital structure described in Section 12 of the Plan).

For the avoidance of doubt, if at the end of the Performance Period, the Company's ROIC percentage is less than 12.3% or the Company's Accumulated ROIC dollars is less than $134 million, then all Performance Shares subject to vesting in that Performance Period will be forfeited.

For example: In the event the Company achieves a ROIC percentage of 13.00%, and the Company accumulates ROIC dollars equal to $145.0 million, the Participant shall have achieved a payout of 150% of their Performance Shares.

DEFINITIONS

"EBIT" means earnings before interest taxes calculated based on the sum of GAAP "Income (loss) before taxes and equity income" and "Interest expense".

"**Performance Period**" means the 24-month period ending December 31, 2017.

"ROIC" means NOPAT divided by Invested Capital.

"**<u>NOPAT</u>**" means the Company's "EBIT", less taxes estimated at a 36% tax rate plus "Equity income (loss) net of tax". In calculating NOPAT for purposes of this Agreement, the following adjustment will be made to correct for certain unusual income and expense items: EBIT will be increased by the total of adjustments between the Company's EBITDA and Consolidated Adjusted EBITDA.

"**<u>Invested Capital</u>**" means the Company's twelve month average GAAP assets excluding cash, less the Company's GAAP liabilities excluding long term debt. In calculating Invested Capital for purposes of this Agreement, the following adjustment will made to correct for certain anomalies in the GAAP cost of inventory and fixed assets: Invested capital will be increased by the difference between inventory valued at Market vs. the GAAP basis of LIFO, plus the current fair value (fair value at acquisition less estimated depreciation) of assets acquired from Olin Corporation for which no value was assigned in the opening Balance sheet purchase price allocation.

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (the "Agreement") is made this 11th day of July 2016 by and among Global Brass and Copper, Inc., a Delaware corporation (the "Company"), Global Brass and Copper Holdings, Inc., a Delaware corporation ("GBCH"), and Christopher J. Kodosky (the "Executive").

RECITALS:

WHEREAS, the Executive is employed as Chief Financial Officer of the Company and Chief Financial Officer of GBCH, reporting to the Chief Executive Officer of GBCH;

WHEREAS, the Company desires to assure the Executive that he will be paid a severance benefit in the event his employment with the Company terminates under certain circumstances, and the parties intend this Severance Agreement to evidence the severance arrangement between the Company and the Executive which shall supersede in its entirety any oral or written promise of severance made to the Executive.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereby agree as follows.

ARTICLE I
Employment and Termination

1.01 At Will Employment. The Executive shall be and continue as an at will employee of the Company and GBCH. The Executive shall be entitled to receive such compensation and benefits as the Board of Directors of GBCH (the "Board") and management of the Company shall determine appropriate from time to time, subject to the rights that may be created in the Executive under the definition of Good Reason below. This Agreement is not a contract of employment and shall not be interpreted to change the Executive's status as an employee at will of the Company. The purpose of this Agreement is to provide for payment of severance amounts in the event the Executive's employment with the Company terminates under the specific terms and conditions set forth herein.

1.02 Severance. In the event of the occurrence of any Triggering Event (as hereinafter defined), and subject to the Executive's execution, delivery and nonrevocation of the general waiver and release of claims substantially in the form attached as Exhibit A hereto within fifty-five (55) calendar days following a Triggering Event (the "Release Condition"), (A) the Company shall provide to the Executive a lump sum severance payment (the "Severance Payment") in immediately available funds in an amount equal to the sum of (i) one year of base pay at the highest rate of base salary payable to the Executive during the one year period immediately prior to the Triggering Event and (ii) the higher of (x) the target annual bonus amount established for the Executive under any annual bonus plan, such as the Executive Officers 2016 Annual Incentive Plan or any similar or successor plan providing annual or short-term incentive payments to the Executive (the "Bonus Plan"), for the year preceding the Triggering Event, and (y) the average of the annual bonuses earned and paid to the Executive for the three years immediately prior to the year in which the Triggering Event occurs, and (B) the Company will cause to be provided to the Executive coverage under or equal in value to the Company's health plan, dental plan and life insurance plan and coverage to each dependent of the Executive covered under the health plan and dental plans covering or available to the Executive immediately prior to the Triggering Event on the same terms and conditions as the Company provides such coverages to active employees and dependents and at a cost to the Executive per period of coverage equal to the periodic contribution amount charged to active employees for a period of one year or, if earlier, until the Executive secures comparable coverages under comparable terms and conditions under a successor employer's health, dental and life plans. If the Executive has not secured comparable coverage under a successor employer's health plan at the end of one year, the Executive's rights under COBRA shall begin upon the loss of coverage after the one-year continuation described in this Section. Payments and benefits of amounts that do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) calendar days after the Release Condition is satisfied and payments and benefits that are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required pursuant to Section 3.13(b) below) provided that the Release Condition is satisfied. The Severance Payment and benefits shall be in lieu of any other severance payments or benefits available under the previously executed letter agreement or any severance policy or procedure of the Company or GBCH. The Severance Payment shall be in lieu of and in satisfaction of any amount otherwise payable under the Bonus Plan, except as provided in Section 1.03 below.

1.03 Accrued Payments. In addition to the Severance Payment and benefits provided under Section 1.02 above, the Executive shall be entitled to receive as soon as practicable, and in all events within thirty (30) calendar days following the date of the Triggering Event, (i) payment of any accrued but unpaid base salary and any accrued and unreimbursed business expenses in accordance with Company policy, in each case accrued or incurred through the date of the Triggering Event, (ii) any payments, benefits or entitlements that are vested, fully and unconditionally earned pursuant to any Company or GBCH plan, policy, program or arrangement, or other agreement, other than those providing for severance, separation pay or salary and benefits continuation, (iii) earned but unpaid vacation pay, and (iv) any bonus earned under the Bonus Plan for a completed year prior to the year in which the Triggering Event occurs but unpaid as of the Triggering Event (collectively, the "Accrued Payments").

1.04 Triggering Event. A Triggering Event shall be deemed to occur if the Company terminates the Executive's employment with the Company without Cause or the Executive resigns for Good Reason.

1.05 Termination by the Company for Cause. For purposes of this Agreement, "Cause" shall mean (i) willful failure or refusal to perform the Executive's duties as Chief Financial Officer of the Company and GBCH after written notice from the Board; (ii) willful misconduct or gross negligence in the performance of the Executive's duties to Company or GBCH that has an adverse effect on the Company or GBCH after receipt of at least one warning from the Company or GBCH; (iii) intentional breach of a written covenant with or written policy of the Company or GBCH relating to the use and preservation of intellectual property and/or confidentiality; (iv) being impaired by or under the influence of alcohol, illegal drugs or controlled substances while working or while on the property of the Company or GBCH or any of their affiliated entities; (v) conviction of or plea of nolo contendre to a felony; or (vi) dishonest, disloyal or illegal conduct or gross misconduct which materially and adversely affects the Executive's performance or the reputation or business of the Company or GBCH (it being agreed that a petty offense or a violation of the motor vehicle code shall not constitute Cause) provided, however, that prior to the determination that "Cause" under clauses (i), (ii), (iii), (iv) or (vi) of this Section 1.05 has occurred, the Board shall (x) provide to the Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (y) afford the Executive a thirty (30) calendar day opportunity to remedy any such breach, if such breach is capable of being remedied during such 30 calendar day period, and (z) provide the Executive an opportunity to be heard prior to the final decision to terminate the Executive's employment hereunder for such "Cause". Notwithstanding the preceding sentence, the Board may terminate the Executive without any advance notification if the "Cause" event is incapable of reasonably prompt cure or if the Board determines that its fiduciary duty requires such termination. The Board shall make any decision that "Cause" exists in good faith. For purposes of this Agreement, no act or failure to act on the Executive's part shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that her/his action or omission was in the best interests of the Company or any successor or affiliate. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company, or any successor or affiliate, shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company, or any successor or affiliate thereof.

1.06 Resignation by the Executive for Good Reason. For purposes of this Agreement, "Good Reason shall mean any of the following without the Executive's prior written consent: (i) the Company's failure to continue Executive in the position of Chief Financial Officer of the Company and GBCH, (ii) the requirement that Executive report to any individual or body other than the Chief Executive Officer of the Company or the Board; (iii) assignment of duties materially and adversely inconsistent with the Executive's position; (iv) material diminution in the Executive's position with the Company or the authority, duties or responsibilities associated with such position; or (v) any material reduction in Executive's base salary, target annual bonus opportunity under the Bonus Plan, benefits, and annual equity incentive awards in the aggregate, excluding any reduction in Executive's annual equity incentive awards that (A) is applicable to all similarly situated executives or (B) is twenty percent (20%) or less and results from adjustments to the allocation of a fixed pool among similarly situated executives; or (vi) Executive's principal place of employment is other than the principal executive office of the Company or there is a change in Executive's principal place of employment that increases the distance between the Executive's residence as of the date of this Agreement to his principal place of employment by more than fifty (50) miles; provided, however, that in each case the Company or GBCH, as applicable, has failed to cure the applicable circumstance within thirty (30) calendar days following written notice from the Executive; and provided, further, that the Executive must provide written notice of events claimed to constitute Good Reason within sixty (60) calendar days of the initial occurrence of such events. The Executive shall not be entitled to terminate his employment for Good Reason with respect to specified events unless the Executive tenders resignation for Good Reason within thirty (30) calendar days of the Company's failure to cure.

1.07 Resignation from Other Positions on Termination. The Executive acknowledges and agrees that effective as of the date of the Triggering Event, the Executive shall be deemed to have resigned from any and all titles, positions and appointments the Executive holds in the Company, GBCH, or any of their parents, subsidiaries or affiliates, whether as an officer, director, or employee, consultant, independent contract or otherwise. The Executive agrees to execute such documents as the Company or GBCH, in its sole discretion, shall reasonably deem necessary to effect such resignations.

ARTICLE II
Executive's Covenants and Agreements

In addition to any obligations the Executive may have with respect to any covenant to or policy of the Company in effect on the date of the Employee's termination of employment, the Executive agrees to the promises set forth in Sections 2.01, 2.02 and 2.03 as follows.

2.01 Confidentiality. During the term of this Agreement and during the five year period subsequent to the expiration or termination of this Agreement, the Executive shall maintain in the strictest confidence any and all information regarding the Company, and its affiliated organizations, regarding their methods of operations; contracts and agreements; financial information and financial statements; vendor, customer and marketing information and lists; policies and procedures; personnel, employment practices and conditions; marketing and strategic plans and initiatives; customer and supplier relationships; prices and contracts; price structure; cost structure; and any and all other information obtained directly or indirectly by the Executive deemed by the Company or its affiliated organizations to be confidential (all of the foregoing shall be identified hereinafter as "Confidential Information"). The Executive shall not disclose any portion of Confidential Information without the prior written consent of the Company. The Executive shall limit his use of Confidential Information to the performance of his duties, responsibilities, and obligations pursuant to this Agreement and for no other purpose. Upon the termination of the Executive's employment with the Company, the Executive shall promptly deliver to the Company all Confidential Information and correspondence, drawings, blueprints, manuals, letters, notes, notebooks, reports, flow-charts, programs, proposals and any other written documents obtaining Confidential Information.

2.02 Loyalty. During the term of Executive's employment with the Company, the Executive shall act with diligence and fidelity to the best of the Executive's ability in furtherance of the best interests of the Company and its affiliated organizations, including GBCH. During the term of the Executive's employment with the Company, or its affiliated organizations, including all extensions and renewals, and for a period of twenty-four (24) months thereafter, the Executive shall not directly or indirectly recruit, persuade, or encourage employees, vendors, customers, or any other parties maintaining relationships with the Company or its affiliated organizations to terminate or modify their relationship in any way that would be detrimental to the Company or its affiliated organizations.

2.03 Noncompetition. During the term of the Executive's employment with the Company, or its affiliated organizations, and for a period of twelve (12) months thereafter, the Executive shall not provide services, directly or indirectly, as an executive, employee, principal, partner, contractor, consultant, director, officer, or shareholder, except for services provided to the Company and its affiliates, related to executive management, financial management, strategic planning, sales and marketing, and other senior executive functions, for any company or enterprise engaged in the business of the manufacturing, converting or distribution of copper and brass sheet, strip and fabricated products, and for any company or enterprise engaged in the rerolling or formation of stainless steel, aluminum and related alloys. The prohibitions set forth in this Section 2.03 shall apply in the following geographic areas: (i) the continental United States, (ii) each individual state within the continental United States, (iii) within 150 miles of each location where the Company or its affiliates conducts business in the continental United States, and iv) within 150 miles of any office of the Company or any of its affiliates.

2.04 Consideration and Acknowledgements. The Executive agrees that this Article II has been negotiated on an arms-length basis between the parties and represents material consideration relative to this Agreement. The Executive acknowledges that the Executive has entered into this Agreement knowingly and voluntarily after being given the opportunity to consult with independent counsel and has given careful consideration to the restraints imposed upon the Executive by this Agreement, and is necessary for the protection of the Confidential Information, business strategies, employee and customer relationships and goodwill of the Company, GBCH and their respective subsidiaries and affiliates now existing or to be developed in the future. The

Executive expressly acknowledges and agrees that each restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area and the Executive's experience and capabilities are such that the Executive has other opportunities to earn a livelihood and adequate means of support for the Executive and the Executive's dependents while complying with the restrictive covenants contained in Sections 2.01, 2.02 and 2.03.

2.05 Nondisparagement. The Executive shall not, whether in writing or orally, malign, denigrate or disparage the Company, GBCH or their respective subsidiaries, affiliates, predecessors or successors, or any of the current or former directors, officers, employees, shareholders, partners, members, agents or representatives of any of the foregoing, with respect to any of their respective past or present activities, or otherwise publish (whether in writing or orally) statements that tend to portray any of the aforementioned parties in an unfavorable light. Nothing in this Section 2.05 shall or shall be deemed to prevent or impair the Executive from pleading or testifying, to the extent that he reasonably believes his pleadings or testimony to be true, in any legal or administrative proceeding if such testimony is compelled or requested, or from otherwise complying with legal requirements.

ARTICLE III
Miscellaneous

3.01 Severability. If any term or provision of this Agreement or the application hereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall, notwithstanding said invalidity, remain valid and enforceable to the fullest extent permitted by law.

3.02 Entire Agreement/Amendment. This Agreement represents the entire agreement of the parties and supersedes all prior agreements and understandings, whether verbal or written, concerning severance compensation to be paid on or after the Executive's termination of employment. This Agreement may be amended only by a written agreement signed by both parties.

3.03 Company's Remedies upon Breach. The Executive acknowledges that the Company's remedy at law for a breach by the Executive of the provisions of the Agreement, including, but not limited to Article II hereof, will be inadequate. Accordingly, in the event of the breach or threatened breach by the Executive of the provisions of this Agreement, including, but not limited to Article II hereof, the Company shall be entitled to injunctive relief in addition to any other remedy it may have.

3.04 Release and Waiver. Notwithstanding any other provision of this Agreement to the contrary, the Executive acknowledges and agrees that any and all payments and benefits, other than the Accrued Payments, are conditioned upon and subject to the Executive's satisfaction of the Release Condition.

3.05 Compensation Recovery Policy. Notwithstanding any provision in this Agreement to the contrary, Severance Payment will be subject to any compensation recovery policy, including but not limited to the Global Brass and Copper Holdings, Inc. Incentive Compensation Recoupment Policy, established by the Company or GBCH as in effect on the date hereof and as may be amended from time to time.

3.06 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. The parties hereto submit to the in personam jurisdiction of the federal and state courts in the District or county, respectively, in which Schaumburg, Illinois is situate and agree that such courts shall be the sole and exclusive forum for the resolution of any disputes between them.

3.07 Assignability. This Agreement is personal to the parties and may not be assigned by either of the parties without the prior written consent of the other party hereto.

3.08 Agreement Binding; Joint and Several Payment Obligations. This Agreement shall be binding upon and inure to the benefit of the Executive's heirs, executors, legal representatives, and permitted assigns and the successors and assigns of the Company and GBCH, respectively. The obligations to make payments under the circumstances described in Article I shall be the joint and several obligations of the Company and GBCH and its and their affiliated organizations.

3.09 Headings. The headings of this Agreement are for convenience of reference only and shall not affect the construction or interpretation of any of the provision hereof.

3.10 Waiver. No failure by either party to exercise any of such party's rights or remedies hereunder and no custom or practice at variance with the terms hereof shall constitute a waiver or right to demand strict compliance with the terms of this Agreement at any time.

3.11 Notices. Any notice provided for or concerning this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or by United States Certified Mail - Return Receipt Requested and postage prepaid, addressed as follows:

To the Company:

Global Brass and Copper, Inc.
475 North Martingale Road, Suite 1050
Schaumburg, IL 60195
Attention: General Counsel

To the Executive:

Christopher J. Kodosky
(at the address on file with the Company)

Either party may change its address for receipt of notices pursuant to this Agreement by providing written notice of such change to the other party pursuant to the provisions hereof.

3.12 Section 409A.

(a) For purposes of this Agreement, " Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (and such other Treasury or Internal Revenue Service guidance) as in effect from time to time. The parties intend that any amounts payable hereunder that could constitute "deferred compensation" within the meaning of Section 409A will be compliant with Section 409A. Notwithstanding the foregoing, the Executive shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of the Executive in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its subsidiaries or affiliates shall have any obligation to indemnify or otherwise hold the Executive (or any beneficiary) harmless from any or all of such taxes or penalties.

(b) Notwithstanding anything in this Agreement to the contrary, in the event that the Executive is deemed to be a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) and the Executive is not "disabled" within the meaning of Section 409A(a)(2)(C), no payments hereunder that are "deferred compensation" subject to Section 409A shall be made to the Executive prior to the date that is six (6) months after the date of the Executive's "separation from service" (as defined in Section 409A) or, if earlier, the Executive's date of death. Following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A that is also a business day. For purposes of Section 409A, each of the payments that may be made under Section 1.02 is designated as separate payments for purposes of Section 409A.

(c) For purposes of this Agreement, with respect to payments of any amounts that are considered to be "deferred compensation" subject to Section 409A, references to "termination of employment" (and substantially similar phrases) shall be interpreted and applied in a manner that is consistent with the requirements of Section 409A.

(d) To the extent that any reimbursements pursuant to this Agreement are taxable to the Executive, any such reimbursement payment due to the Executive shall be paid to the Executive as promptly as practicable consistent with Company practice following the Executive's appropriate itemization and substantiation of expenses incurred, and in all events on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. The reimbursements pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursements that the Executive receives in one taxable year shall not affect the amount of such benefits or reimbursements that the Executive receives in any other taxable year.

3.13 Withholding; Taxes. The Company may deduct and withhold from any amounts payable under this Agreement such federal, state, local, non-U.S. or other taxes as are required or permitted to be withheld pursuant to any applicable law or regulation.

3.14 Section 280G. Notwithstanding anything in this Agreement to the contrary, in the event that it is determined by an independent accounting firm chosen by the Company (the "Accounting Firm") that any economic benefit, payment or distribution by the Company to or for the benefit of Executive, whether paid, payable, distributed or distributable pursuant to the terms of this Agreement, the plans or programs referred to herein, or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (such excise tax referred to in this Agreement as the "Excise Tax"), then the value of any such Payments (the "Agreement Payments") which constitute "parachute payments" under Section 280G(b)(2) of the Code, as determined by the Accounting Firm, will be reduced so that the present value of all Payments (calculated in accordance with Section 280G of the Code and the regulations thereunder), in the aggregate, is equal to 2.99 times Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code (the "Reduced Amount"). Notwithstanding the foregoing, the Agreement Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that Executive would have a greater "Net After-Tax Receipt" of aggregate Payments if the Executive's Agreement Payments were reduced to the Reduced Amount. If such Accounting Firm determines that the

Payments shall be reduced, then such reduction shall be made first by reducing cash payments due under this Agreement, then cash payments under other agreements, plans or programs, and then non-cash benefits, in each case in the reverse order in which they are due, until the present value of the Payments is reduced to the Reduced Amount. "Net After Tax-Receipt" shall mean the present value (as determined in accordance with Section 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws (and including any employment, social security or Medicare taxes, and other taxes (including any other excise taxes)), determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Executive's taxable income for the tax year in which the change in ownership or control (within the meaning of Section 280G of the Code) giving rise to the Excise Tax occurs, or such other rate(s) as the Accounting Firm determines to be likely to apply to Executive in the relevant tax year(s) in which any Payment is expected to be made.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed the day and date first above written.

GLOBAL BRASS AND COPPER, INC. **CHRISTOPHER J. KODOSKY**

By: ________________________ ______________________________
Its: Chief Executive Officer

GLOBAL BRASS AND COPPER HOLDINGS, INC.

By: ______________________________
Its: Chief Executive Officer

Exhibit A

WAIVER AND RELEASE OF CLAIMS

In connection with the termination of employment of Christopher J. Kodosky (the "Executive") by Global Brass and Copper, Inc. (the "Company") and Global Brass and Copper Holdings, Inc., ("GBCH"), pursuant to the severance agreement among the Executive, the Company, and GBCH dated ____________, 20__ (the "Severance Agreement"), the Executive agrees as follows:

1. Waiver and Release

(a) As used in this Waiver and Release of Claims (this "Agreement"), the term "claims" shall include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, accounts, attorneys' fees, judgments, losses and liabilities, of whatsoever kind or nature, both known and unknown, in law, equity or otherwise.

(b) For and in consideration of the payments described in Section 1.02 of the Severance Agreement, the Executive, for and on behalf of the Executive and the Executive's heirs, administrators, executors, and assigns, effective the Effective Date (as defined below), does fully and forever waive and release, remise and discharge the Company, GBCH, their direct and indirect parents, subsidiaries and affiliates, their predecessors and successors and assigns, together with the respective officers, directors, partners, shareholders, employees, members, and agents of the foregoing (collectively, the "Group") from any and all claims which the Executive had, may have had, or now has against the Company, GBCH, the Group, collectively or any member of the Group individually, for or by reason of any matter, cause or thing whatsoever, including but not limited to any claim arising out of or attributable to the Executive's employment or the termination of the Executive's employment with the Company, and also including but not limited to claims of breach of contract, wrongful termination, unjust dismissal, defamation, libel or slander, or under any federal, state or local law dealing with discrimination based on age, race, sex, national origin, handicap, religion, disability or sexual preference. This release of claims includes, but is not limited to, all claims arising under the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Civil Rights Act of 1991, the Family Medical Leave Act, the Equal Pay Act, the Illinois or Ohio human relations act and all other federal, state and local labor and anti-discrimination laws, the common law and any other purported restriction on an employer's right to terminate the employment of employees.

(c) The Executive specifically releases all claims against the Group and each member thereof under the Age Discrimination in Employment Act of 1967 (the "ADEA") relating to the Executive's employment and its termination.

(d) The Executive represents that the Executive has not filed or permitted to be filed against the Group, any member of the Group individually or the Group collectively, any lawsuit, complaint, charge, proceeding or the like, before any local, state or federal agency, court or other body (each, a "Proceeding"), and the Executive covenants and agrees that the Executive will not do so at any time hereafter with respect to the subject matter of this Agreement and claims released pursuant to this Agreement (including, without limitation, any claims relating to the termination of the Executive's employment), except (i) as may be necessary to enforce this Agreement or the Executive's rights to indemnification under that certain Indemnification Agreement dated December 11, 2014 between the Company and the Executive, (ii) to obtain benefits described in or granted under this Agreement or the Severance Agreement, (iii) to seek a determination of the validity of the waiver of the Executive's rights under the ADEA, or (iv) to initiate or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission ("EEOC"). Except as otherwise provided in the preceding sentence, (x) the Executive will not initiate or cause to be initiated on the Executive's behalf any Proceeding, and will not participate (except as required by law) in any Proceeding of any nature or description against any member of the Group individually or the Group collectively that in any way involves the allegations and facts that the Executive could have raised against any member of the Group individually or the Group collectively as of the date hereof and (y) the Executive waives any right the Executive may have to benefit in any manner from any relief (monetary or otherwise) arising out of any Proceeding.

2. Acknowledgment of Consideration. The Executive is specifically agreeing to the terms of this release because the Company has agreed to pay the Executive money and other benefits to which the Executive was not otherwise entitled under the Company's policies or under the Severance Agreement (in the absence of providing this release). The Company has agreed to provide this money and other benefits because of the Executive's agreement to accept it in full settlement of all possible claims the Executive might have or ever had, and because of the Executive's execution of this Agreement.

3. Acknowledgments Relating to Waiver and Release; Revocation Period. The Executive acknowledges that the Executive has read this Agreement in its entirety, fully understands its meaning and is executing this Agreement voluntarily and of the Executive's own free will with full knowledge of its significance. The Executive acknowledges and warrants that the Executive has been advised by the Company to consult with an attorney prior to executing this Agreement. The Executive acknowledges that the Executive received this Agreement on [Month / Day, 20__], and understands that he/she has until [Month / Day, 20__], a period of at least twenty-one (21) days, to consider the Agreement. The Executive shall have the right to revoke this Agreement for a period of seven (7) calendar days following the date the Executive signs this Agreement, by giving written notice of such revocation to the Company. Notice of revocation, if any, shall be made in writing and sent by facsimile and certified mail addressed to the Company's General Counsel. This Agreement shall not become effective or enforceable until it has been signed and returned by the Executive as provided herein, and the seven (7) day revocation period has expired (the "Effective Date"). Promptly after the effective date, the Company shall deliver a fully executed copy of the Agreement to the Executive at the address he has provided to the Company.

4. Remedies. The Executive understands and agrees that if the Executive breaches any provisions of this Agreement, in addition to any other legal or equitable remedy the Company may have, the Company shall be entitled to cease making any payments or providing any benefits to the Executive under Section 1.02 of the Severance Agreement, and the Executive shall reimburse the Company for all its reasonable attorneys' fees and costs incurred by it arising out of any such breach. The remedies set forth in this paragraph shall not apply to any challenge to the validity of the waiver and release of the Executive's rights under the ADEA. In the event the Executive challenges the validity of the waiver and release of the Executive's rights under the ADEA, then the Company's right to attorneys' fees and costs shall be governed by the provisions of the ADEA, so that the Company may recover such fees and costs if the lawsuit is brought by the Executive in bad faith. Any such action permitted to the Company by this paragraph, however, shall not affect or impair any of the Executive's obligations under this Agreement, including without limitation, the release of claims in paragraph 1 hereof. The Executive further agrees that nothing herein shall preclude the Company from recovering attorneys' fees, costs or any other remedies specifically authorized under applicable law.

5. Confidential Information / Standards and Obligations. The Executive re-affirms and agrees to honor and fully comply with the confidentiality and other post-employment restrictions set forth in Article II of the

Severance Agreement, as well as any other confidentiality and/or invention assignment policies or agreements of the Company or GBCH that are intended to continue in effect post-employment.

6. No Admission. Nothing herein shall be deemed to constitute an admission of wrongdoing by the Company or any member of the Group. Neither this Agreement nor any of its terms shall be used as an admission or introduced as evidence as to any issue of law or fact in any proceeding, suit or action, other than an action to enforce this Agreement.

7. Cooperation. The Executive agrees to promptly inform the human resources or legal division of the Company or GBCH of any subpoenas, correspondence, requests for information, or other contacts the Executive receives from third parties, including governmental agencies, concerning any fact or circumstance that relates to Executive's employment with or work for the Company or GBCH.

8. Governing Law. The terms of this Agreement and all rights and obligations of the parties hereto, including its enforcement, shall be interpreted and governed by the laws of the State of Illinois without regard to the principles of conflicts of laws of the State of Illinois or those of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Illinois.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite the Executive's signature below.

____________________________ ____________________

SIGNATURE DATE

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, John J. Wasz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Brass and Copper Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2016

/s/ John J. Wasz
John J. Wasz
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher J. Kodosky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Brass and Copper Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2016

/s/ Christopher J. Kodosky
Christopher J. Kodosky
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Global Brass and Copper Holdings, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2016, as filed with the Securities and Exchange Commission (the “Report”), and pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, each of the undersigned hereby certifies that to the best of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2016

/s/ John J. Wasz
John J. Wasz
Chief Executive Officer

/s/ Christopher J. Kodosky
Christopher J. Kodosky
Chief Financial Officer

This written statement accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.
A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.