

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Patrick Industries, Inc.		2 Issuer's employer identification number (EIN) 35-1057796	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 574-294-7511	5 Email address of contact ir@patrickind.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 107 W. Franklin Street, P.O. Box 638		7 City, town, or post office, state, and Zip code of contact Elkhart, IN 46515-0638	
8 Date of action 12/08/2017		9 Classification and description Common Stock	
10 CUSIP number 703343103	11 Serial number(s)	12 Ticker symbol PATK	13 Account number(s)

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

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On November 8, 2017, the Issuer declared a 3-for-2 stock split, effected in the form of a stock dividend payable in the form of one share of common stock for every two shares of common stock held. The stock dividend was distributed on December 8, 2017 to common shareholders of record as of November 24, 2017. Fractional shares were paid out in cash based upon the post-stock split closing price of \$65.83 on December 8, 2017.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The stock split was a non-taxable transaction under Internal Revenue Code (IRC) Section 305(a) and accordingly a shareholder's basis shall be allocated under IRC Section 307(a). Under IRC Section 307(a) each shareholder will allocate the basis in a share owned prior to the stock split over that share and the additional share issued in the 3-for-2 stock split. As a result, a shareholder will multiply the basis in each share held before the stock split by 66.6667% to determine the basis, after the stock split, in that share, and the remaining 33.3333% of the basis in each share held before the split will be allocated to the additional half share distributed in the stock split. See the example below in #16.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The example below is provided as a reference only and should not be construed as tax advice. Investors should consult their tax advisor. A shareholder will multiply the basis in each share held before the split by 66.6667% to determine the basis after the split in that share and the additional share distributed in the stock split.

Example:

Before the stock split: A shareholder holds 200 shares of Patrick Industries, Inc. common stock with a basis of \$60 per share and \$12,000 in total.

After the stock split: A shareholder holds 300 shares of Patrick Industries, Inc. common stock with a basis of \$40 per share and \$12,000 in total.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The tax treatment of the stock split completed in the form of a stock dividend is determined under Internal Revenue Code Section 305(a). The basis in the old shares with respect to which the distribution was made is allocated between the old and new shares according to Internal Revenue Code Section 307(a). The treatment of the cash distribution, treated as received in exchange for the fractional share, is determined under Internal Revenue Code Section 302.

18 Can any resulting loss be recognized? ▶ Generally not except for shareholders receiving cash in lieu of fractional shares that qualify for sale or exchange treatment pursuant to the tests under Section 302 may qualify for loss recognition where the tax basis allocated to the fractional shares was greater than the cash payments received for those shares, subject to other relevant provisions of the Internal Revenue Code regarding loss recognition limitations.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is the calendar year ending December 31, 2017.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶ <u>Joshua Boone</u>	Date ▶ <u>12/12/17</u>		
Paid Preparer Use Only	Print your name ▶ <u>Joshua A. Boone</u>	Preparer's signature	Title ▶ <u>VP Finance / CFO</u>	Check <input type="checkbox"/> if self-employed
	Print/Type preparer's name		Date	PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054