

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| MCBC HOLDINGS INCORPORATED & SUBSIDIARIES | | 06-1571747 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| TIM OXLEY | 423-884-7829 | TIM.OXLEY@MASTERCRAFT.COM | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 100 CHEROKEE COVE DRIVE | | VONORE, TN 37885 | |
| 8 Date of action | | 9 Classification and description | |
| JUNE 10, 2016 | | CASH DISTRIBUTION TO SHAREHOLDERS | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 55276F107 | | MCFT | |

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 JUNE 10, 2016, MCBC HOLDINGS INCORPORATED & SUBSIDIARIES ("MCBC") MADE A SPECIAL CASH DISTRIBUTION TO SHAREHOLDERS OF RECORD AS OF JUNE 6, 2016, OF \$4.30 PER SHARE. THE AMOUNT IS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS.

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 ▶ MCBC HAS DETERMINED THAT \$2.02 PER SHARE OF THE SPECIAL DISTRIBUTION IS TAXABLE AS A DIVIDEND AND THE REMAINDER OF \$2.28 PER SHARE IS A NON-DIVIDEND DISTRIBUTION. THE NON-DIVIDEND DISTRIBUTION WILL BE APPLIED AS A REDUCTION OF THE SHAREHOLDER'S BASIS IN THEIR MCBC STOCK. ANY AMOUNT IN EXCESS OF BASIS WILL BE TAXABLE TO THE SHAREHOLDER AS A CAPITAL GAIN.

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 ▶ MCBC HAS CALCULATED ITS EARNINGS AND PROFITS UNDER INTERNAL REVENUE CODE ("IRC") SECTION 312. MCBC HAS DETERMINED THAT \$2.02 PER SHARE OF THE SPECIAL DISTRIBUTION WILL BE TAXABLE AS A DIVIDEND AND THE REMAINDER OF \$2.28 PER SHARE AS A REDUCTION IN BASIS OR CAPITAL GAIN, AS DISCUSSED ABOVE.

Part II Organizational Action (continued)


17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► DISTRIBUTIONS TO SHAREHOLDERS ARE REPORTABLE AS TAXABLE DIVIDENDS TO THE EXTENT OF THE CORPORATION'S EARNINGS AND PROFITS UNDER IRC SECTIONS 301(C)(1) AND IN ACCORDANCE WITH IRC SECTION 316. IF A DISTRIBUTION EXCEEDS THE CORPORATION'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS AS COMPUTED UNDER IRC SECTION 312, SHAREHOLDERS MUST APPLY THE RULES OF IRC SECTION 301(C) TO DETERMINE IF THE DISTRIBUTION IS A NON-TAXABLE RETURN OF CAPITAL AND REDUCTION OF BASIS UNDER IRC SECTION 301(C)(2) OR AS A CAPITAL GAIN UNDER IRC SECTION 301(C)(3). MCBC HAS DETERMINED ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS IN ACCORDANCE WITH THE PRINCIPLES OF IRC SECTION 312.

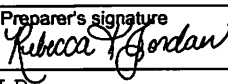
18 Can any resulting loss be recognized? ► N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE DISTRIBUTION WAS MADE DURING MCBC'S FISCAL YEAR ENDING JUNE 30, 2016.

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

Sign Here

Signature ►  Date ► 1/31/17
Print your name ► TIM OXLEY Title ► CFO

| | | | | | |
|-------------------------------|---------------------------------|---|------------|---|------------------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | REBECCA K JORDAN |  | 01/31/2017 | | P00444106 |
| | Firm's name ► CROWE HORWATH LLP | Firm's address ► 2095 LAKESIDE CENTRE WAY, SUITE 125 KNOXVILLE TN | | Firm's EIN ► 35-0921680 | Phone no. 865-690-7975 |