

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name MSC Industrial Supply Co., Inc.		2 Issuer's employer identification number (EIN) 11-3289165	
3 Name of contact for additional information Thomas Moore	4 Telephone No. of contact 516-812-1182	5 Email address of contact thomas.moore@mscdirect.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 75 Maxess Road		7 City, town, or post office, state, and ZIP code of contact Melville, NY 11747	
8 Date of action Various		9 Classification and description Common Stock	
10 CUSIP number 553530106	11 Serial number(s) N/A	12 Ticker symbol MSM	13 Account number(s) N/A

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 ▶ SEE ATTACHED

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 ▶ SEE ATTACHED

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHED

Part II Organizational Action (continued)

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

18 Can any resulting loss be recognized? ▶ SEE ATTACHED

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED

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 ▶ 8/27/18

Print your name ▶ RUSTOM JILLA Title ▶ EVP/CFO

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

14. The board of directors of MSC Industrial Direct Co., Inc. ("MSC", "we", "our", or "us") has approved our repurchasing from our shareholders from time to time its own shares that are traded on New York Stock Exchange in the open market (the "Open Market Repurchase").
15. Under Section 302 of the Internal Revenue Code of 1986, as amended (the "Code"), a sale of shares for cash by a shareholder in the Open Market Repurchase will be treated as a "sale or exchange" of shares for U.S. federal income tax purposes, rather than as a distribution with respect to the shares held by the tendering shareholder, only if the sale: (i) results in a "complete termination" of such shareholder's equity interest in us, or (ii) results in a "substantially disproportionate" redemption with respect to such shareholder, or (iii) is "not essentially equivalent to a dividend" with respect to the shareholder. In determining whether any of these tests have been met, a shareholder must take into account not only the shares that the shareholder actually owns, but also the shares that the shareholder constructively owns within the meaning of Section 318 of the Code (as modified by Section 302(c) of the Code). Under these constructive ownership rules, a shareholder will be considered to own those shares owned, directly or indirectly, by certain members of the shareholder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the shareholder has an equity interest, as well as shares the shareholder has an option to purchase. Shareholders should consult their own tax advisors with respect to the operation of these constructive ownership rules.

The purchase of a shareholder's shares by us in the Open Market Repurchase will result in a "complete termination" of the shareholder's equity interest in us if either (1) all of the shares in us actually and constructively owned by the shareholder are sold for cash in the Open Market Repurchase or (2) all of the shares in us actually owned by the shareholder are sold for cash in the Open Market Repurchase and the shareholder is eligible to waive, and effectively waives, the attribution of all shares in us constructively owned by the shareholder in accordance with the procedures described in Section 302(c)(2) of the Code. A shareholder may also satisfy the "complete termination" test if, in the same transaction, some of its shares in us are redeemed and all of the remainder of its shares in us are sold or otherwise transferred to a third party so that after the transaction the shareholder no longer owns (actually or constructively) any shares in us. Shareholders wishing to satisfy the "complete termination" test through waiver of attribution in accordance with the procedures described in Section 302(c)(2) of the Code should consult their own tax advisors concerning the mechanics and desirability of such a waiver.

A sale of shares by a shareholder will be a substantially disproportionate redemption with respect to a shareholder if (1) the shareholder's percentage ownership of our outstanding voting stock (including all classes that carry voting rights) is reduced immediately after the redemption to less than 80% of the shareholder's percentage interest in such stock immediately before the redemption; (2) the shareholder's percentage ownership of our outstanding common stock (both voting and nonvoting) immediately after the redemption is reduced to less than 80% of the shareholder's percentage ownership immediately before the redemption; and (3) the shareholder owns, immediately after the redemption,

less than 50% of the total combined voting power of all classes of our stock entitled to vote.

A sale of shares by a shareholder in the Open Market Repurchase will satisfy the “not essentially equivalent to a dividend” test if, taking into account the applicable constructive ownership rules, it results in a “meaningful reduction” of the shareholder’s proportionate interest in us. Whether a shareholder meets this test will depend on the shareholder’s particular facts and circumstances, as well as the relative percentage of the shares tendered by such shareholder and each of the other shareholders. However, the IRS has indicated in published guidance that even a small reduction in the proportionate interest of a small minority shareholder in a publicly and widely held corporation who exercises no control over corporate affairs may constitute a “meaningful reduction.” In the event that other shareholders sell a greater percentage of their shares than a particular shareholder, a shareholder’s interest in us may increase immediately following the sale even if that shareholder sells shares for cash and such shareholder does not (actually or constructively) acquire any other shares.

Section 302 and the related regulations and guidance are complex. Shareholders should consult their own tax advisors regarding the proper treatment of a disposition of shares in the Open Market Repurchase in light of each shareholder’s particular circumstances.

If a sale of shares in this Open Market Repurchase by a United States person (a “United States Holder”) is treated as a sale or exchange for U.S. federal income tax purposes, such United States Holder will recognize capital gain or loss equal to the difference between (i) the amount received, and (ii) the United States Holder’s adjusted tax basis in the shares that are sold in the Open Market Repurchase. Such gain or loss will generally be long-term capital gain or loss if the United States Holder’s holding period for the shares sold exceeds one year at the time of the sale. Long-term capital gains of a non-corporate United States Holder are currently eligible for reduced rates of U.S. federal income taxation. A United States Holder’s ability to deduct capital losses is subject to certain limitations.

If a United States Holder’s receipt of cash attributable to a sale of shares for cash in the Open Market Repurchase does not meet one of the tests under Section 302 of the Code described above, then the full amount of cash received by the United States Holder with respect to our purchase of shares under the Open Market Repurchase will be treated as a distribution to the United States Holder with respect to the United States Holder’s shares and will be treated as ordinary dividend income to the United States Holder to the extent of such United States Holder’s ratable share of our current and accumulated earnings and profits as determined under United States federal income tax principles.

16. See discussion in 15 above.
17. Sections 301, 302 and 317 of the Code.
18. No loss will be recognized by a United States Holder if its sale of shares in the Open Market Repurchase is treated as a distribution with respect to the shares under Section

MSC Industrial Direct Co., Inc.
Attachment to Form 8937

302 of the Code. If a loss is recognized, the character and classification of the loss is dependent on a United States Holder's particular circumstances and may be subject to limitation. Tendering shareholders should consult their own tax advisors.

19. N/A