

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Blue Hills Bancorp, Inc.		46-5429062	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Mark Ruggiero	781-982-6281	mark.ruggiero@rocklandtrust.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
288 Union Street		Rockland, MA 02370	
<b>8</b> Date of action		<b>9</b> Classification and description	
4/1/2019		Stock	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
095573101		BHBK	

**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 ▶ Effective April 1, 2019, Blue Hills Bancorp, Inc. ("BHBK"), a publicly held Maryland corporation, merged with and into Independent Bank Corp. ("INDB"), a Massachusetts corporation, with INDB as the surviving corporation (the "Merger").

Pursuant to the terms of the Agreement and Plan of Merger by and between INDB and BHBK dated as of September 20, 2018 ("Merger Agreement"), upon completion of the Merger, each share of BHBK common stock outstanding at the effective time of the Merger was converted into the right to receive (i) \$5.25 in cash plus (ii) 0.2308 shares of INDB common stock.

**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 ▶ BHBK shareholders exchanged each share of BHBK common stock for a combination of cash and INDB stock, requiring a pro-rata allocation of original cost basis in BHBK stock. The tax basis in INDB shares received is equal to the original cost basis in BHBK shares, reduced by the amount of cash consideration received (other than cash received in lieu of fractional shares of INDB stock), and increased by the amount of gain, if any, recognized (other than any gain or loss resulting from the deemed receipt and exchange of fractional shares of INDB stock). The actual tax basis will differ with respect to each former BHBK shareholder and, additionally, with regard to separate and distinct blocks of shares of BHBK common stock.

The holding period of the shares of INDB common stock received in the merger will generally include the holding period for the shares of BHBK common stock exchanged thereof.

**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 item 15 above and attachment.

**Part II Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► \_\_\_\_\_  
 IRC Sections 354, 356, 358, 1001, 1221

**18** Can any resulting loss be recognized? ► The Merger is intended to qualify for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Pursuant to IRC Section 356, when boot is issued by an acquiring corporation in a tax-free transaction, the target shareholders receiving boot must recognize gain equal to the lesser of the amount of boot received or the amount of gain realized. In this transaction, the \$5.25 per share cash paid will be treated as "boot". A loss is never recognized in a tax-free transaction, even when boot is received. Further, for cash received in lieu of fractional shares of INDB stock, a U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or hers fractional share interest.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The Merger occurred on March 29, 2019 with an effective date of April 1, 2019. Therefore, any gain or loss recognized with respect to the Merger should be reported by BHBK shareholders in the tax year which includes April 1, 2019 (e.g. calendar year shareholder would report the transaction on his or her federal and/or state income tax return(s) for the 2019 calendar year).

For additional information please refer to the full text of the Merger Agreement, which is included as Annex A in the Pre-Effective Amendment No. 1 to Independent's S-4 Registration Statement filed with the Securities Exchange Commission on December 7, 2018. Also, refer to the Form 8-K that was filed on April 1, 2019 for information related to the allocation.

BHBK shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the Merger. The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended.

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 ► /s/Mark Ruggiero Date ► October 2, 2019

<b>Paid Preparer Use Only</b>	Print your name ► <u>Mark Ruggiero</u>	Preparer's signature	Title ► <u>Chief Financial Officer</u>	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name		Date	Firm's EIN ►	
	Firm's name ►			Phone no.	

**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:**

Under the terms of the Merger Agreement, each share of BHBK common stock was converted into the right to receive (i) \$5.25 in cash plus (ii) 0.2308 shares of INDB common stock. Each BHBK shareholder who would otherwise have been entitled to receive a fraction of a share of INDB common stock in the Merger received cash in an amount equal to the product obtained by multiplying (i) the fractional share interest to which such holder would otherwise be entitled to receive by (ii) \$78.48, which was the volume-weighted average trading price of a share of INDB common stock for the five consecutive trading days ending on the fifth trading day immediately preceding the closing date of the Merger, rounded to the nearest whole cent.

The cash consideration of \$5.25 per share in this example will be treated as boot received in the merger transaction. Pursuant to IRC Sec. 356, when boot is issued by an acquiring corporation in a tax-free transaction, the target shareholders receiving boot must recognize gain equal to the lesser of the amount of boot received or the amount of gain realized (amount by which the fair market value of INDB common at effective time of merger and cash received exceeds basis in BHBK common surrendered). A loss is never recognized in a tax-free transaction, even when boot is received.

For example, if a U.S. holder owned 100 shares of BHBK stock each with a basis of \$15, they would recognize gain of \$525, and the basis in each share of INDB common stock received would be rounded to \$64.99 as evidenced in the table below.

Assumptions:

• BHBK shares held at acquisition date-	100
• Original per share cost basis of BHBK-	\$15.00
• Total original cost basis of BHBK-	\$1,500.00
• INDB FMV on Merger Date (based on 3/29/2019 closing price)-	\$81.01

Facts:

• Cash consideration per share of BHBK-	\$5.25
• INDB shares received per share of BHBK-	0.2308
• 5-day INDB VWAP-	\$78.48

Number of INDB shares upon conversion (100 shares of BHBK * 0.2308)	23.08
Fractional Shares Adjustment	(.08)
INDB Shares Received	23.00

Calculation of gain to be recognized:

*The lesser of:*

1) Amount of boot received (100 shares of BHBK * \$5.25)	\$525.00
2) Amount of gain realized:	
FMV of INDB common (\$81.01 * 23 shares of INDB)	\$1,863.23
Plus: Boot received (\$5.25 * 100 shares of BHBK)	525.00
Plus: Cash received for fractional shares (\$5.25 * .08 shares of BHBK)	0.42

Less: Cost basis in BHBK common surrendered	<u>(1,500.00)</u>
Total gain realized	\$888.65
<b>Lesser of option 1 or 2 above:</b>	<b>\$525.00</b>

Calculation of cost basis:

Total Cost of BHBK Shares	\$1,500.00 A
Number of INDB shares upon conversion	23.08 B
Cost basis per INDB share (A/B)	\$64.99
Fractional Share Adjustment	.08
Cost basis allocated to fractional share	\$5.20
Cost basis in 23 shares of INDB common	\$1,494.80