

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name <b>Trex Company, Inc.</b>		2 Issuer's employer identification number (EIN) <b>54-1910453</b>	
3 Name of contact for additional information <b>William Gupp</b>	4 Telephone No. of contact <b>540-542-6300</b>	5 Email address of contact <b>wgupp@trex.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>160 Exeter Drive</b>		7 City, town, or postoffice, state, and ZIP code of contact <b>Winchester, VA 22603</b>	
8 Date of action <b>September 14, 2020</b>		9 Classification and description <b>Trex Company, Inc. Common Stock</b>	
10 CUSIP number <b>89531P105</b>	11 Serial number(s)	12 Ticker symbol <b>TREX</b>	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 ▶ **A two-for-one stock split was completed in the form of a stock dividend of one share of Trex Company, Inc. Common Stock for each share of Common Stock outstanding. The stock dividend was distributed on September 14, 2020 to stockholders of record on August 19, 2020.**

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 stockholder's basis shall be allocated under IRC Section 307 (a). Under IRC Section 307 (a) each stockholder will allocate the basis in each share owned prior to the stock split over that share and the additional share received. As a result, a stockholder will multiply the basis in each share held before the split by 50% to determine the basis, after the stock split, in that share and the additional share received 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 ▶ **Each stockholder received one additional share for each share held. Under IRC Section 307 (a), the tax basis in each share is 50% of the basis of the original share.**

**Example:**

**Before the stock split, a shareholder holds 100 shares of Trex Common Stock with a basis of \$9,000 in total, or \$90 per share. After the stock split, the shareholder holds 200 shares of Trex Common Stock with a basis of \$9,000 in total, or \$45 per share. We caution that this is not tax advice and is provided only as an example. Stockholders should consult their own tax advisors with questions about calculating their basis in Trex stock.**

**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 Section 305(a) and IRC Section 307(a).

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18 an any resulting loss be recognized? ▶ No loss can be recognized in connection with the two-for-one stock split completed in the form of a stock dividend.

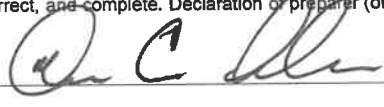
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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is the calendar year ending December 31, 2020.

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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 ▶ 

Date ▶ 9/15/20

Print your name ▶ Dennis C. Schemm

Title ▶ VP & CFO