

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

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Dacotah Banks, Inc.		2 Issuer's employer identification number (EIN) 46-0279766	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (605) 225-5611	5 Email address of contact info@dacotahbank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 401 South Main Street, Suite 212, P.O. Box 1496		7 City, town, or post office, state, and Zip code of contact Aberdeen, South Dakota 57402-1496	
8 Date of action June 27, 2016	9 Classification and description Common Stock		
10 CUSIP number 233422 10 4	11 Serial number(s)	12 Ticker symbol OTC Pink: DBIN	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 May 26, 2016, the board of directors of Dacotah Banks, Inc. ("Dacotah") declared a stock split, in the form of a stock dividend (the "Stock Dividend"), whereby each Dacotah shareholder received on June 27, 2016 nine additional shares of Dacotah common stock for each one share of Dacotah common stock held on June 17, 2016 (the record date of the Stock Dividend).**

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 Dividend will constitute a non-taxable transaction under Code Section 305(a). A shareholder's tax basis in each share of Dacotah common stock must be proportionately allocated amongst the one share of Dacotah common stock held before the Stock Dividend and the nine additional shares of Dacotah common stock received in the Stock Dividend. Accordingly, a shareholder will multiply the tax basis in each share of Dacotah common stock held before the Stock Dividend by 10% to determine the tax basis, after the Stock Dividend, in that share of Dacotah common stock and the additional nine shares of Dacotah common stock distributed in the Stock Dividend. 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 ▶ **A shareholder will multiply the tax basis in each share of Dacotah common stock held before the Stock Dividend by 10% to determine the tax basis, after the Stock Dividend, in that share and each of the additional nine shares of Dacotah common stock distributed in the Stock Dividend.**

Example:

Before the Stock Dividend: A shareholder holds 50 shares of Dacotah common stock with a tax basis of \$100 per share (\$5,000 in total).

After the Stock Dividend: That shareholder holds 500 shares of Dacotah common stock with a tax basis of \$10 per share (\$5,000 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 federal income tax consequences of the Stock Dividend to Dacotah shareholders will be determined under Sections 305(a) and 307(a) of the Code.

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ Dacotah shareholders will not recognize any loss as a result of the Stock Dividend.

Multiple horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is the tax year which includes June 27, 2016 (e.g., a calendar year shareholder would report the Stock Dividend on his or her federal income tax return filed for the 2016 calendar year).

Multiple horizontal lines for providing details for question 19.

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 ▶ *Chad Bergen* Date ▶ 6/30/2016

Print your name ▶ CHAD BERGEN Title ▶ SVP/CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Kim Severson</u>	<u><i>Kim Severson</i></u>	<u>6/29/2016</u>		<u>P01568521</u>
	Firm's name ▶ <u>Dorsey & Whitney LLP</u>	Firm's EIN ▶ <u>41-0223337</u>		Phone no. <u>(612) 340-2844</u>	
	Firm's address ▶ <u>50 South Sixth Street, Suite 1500, Minneapolis, Minnesota 55402-1498</u>				