

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 302, 318, 354, 356, 358, 361, 368, 1001, 1032, and 1223.

18 Can any resulting loss be recognized? ▶ No loss can be recognized in connection with the exchange of Salin Bancshares, Inc. common stock for shares of Horizon common stock and cash, but if a taxable loss is calculated on the deemed sale of a fractional share of Horizon common stock deemed to have been received in the exchange, this loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The merger was consummated on March 26, 2019. Consequently, the reportable tax year for reporting the tax effects of the merger is the tax year that includes March 26, 2019. This is the 2019 tax year for those shareholders who report taxable income on the basis of a calendar year.

Shareholders should consult their own tax advisors as to the specific tax consequences to them resulting from the merger, including tax return reporting requirements. This information is not tax advice and is not intended or written to be used, and cannot be used, by any shareholder of Salin Bancshares, Inc., any Horizon shareholder, or any other person for the purpose of avoiding penalties that may be imposed by the Internal Revenue Service.

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 ▶ 04/12/19

Print your name ▶ Mark E. Secor Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
	<u>Randal J. Kaltenmark</u>	<u></u>	<u>4/12/19</u>		<u>P01473312</u>
	Firm's name ▶ <u>Barnes & Thornburg LLP</u>	Firm's EIN ▶ <u>35-0900596</u>			
	Firm's address ▶ <u>11 S. Meridian St., Indianapolis, IN 46204</u>	Phone no. <u>(317) 236-1313</u>			

HORIZON BANCORP, INC.

35-1562417

ATTACHMENT TO FORM 8937

**REPORT OF ORGANIZATIONAL ACTIONS
AFFECTING BASIS OF SECURITIES**

FORM 8937: PART I, BOX 9:

Horizon Bancorp, Inc. ("Horizon") common stock issued in exchange for Salin Bancshares, Inc. ("SBI") common stock.

FORM 8937: PART II, BOX 14:

The reportable organizational action involves the merger of SBI with and into Horizon on March 26, 2019.

FORM 8937: PART II, BOX 15:

Each SBI shareholder that received shares of Horizon common stock and cash in the exchange is required to determine the tax basis of the shares of Horizon common stock so received by performing the following calculations separately for each identifiable block of SBI common stock surrendered in the exchange for Horizon common stock having a common tax basis:

- Begin with the aggregate tax basis of the SBI common stock surrendered in the exchange;
- Add the amount of recognized taxable gain, if any, (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below);
- Add the amount of recognized tax loss that was disallowed in connection with the exchange, if any, (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below);
- Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below); and
- Subtract the tax basis in any fractional shares of Horizon common stock that was deemed to have been received in the exchange and immediately sold.

The resulting figure represents the aggregate tax basis of the shares of Horizon common stock received in the exchange for that identifiable block of SBI common stock transferred. The tax basis of each individual share of Horizon common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of shares of Horizon common stock that comprise this identifiable block.

FORM 8937 PART II, BOX 16:

Refer to the description of the basis calculation in Part II, Box 15 above. Pursuant to the terms of the Agreement and Plan of Merger dated October 29, 2018 as amended by the First Amendment dated December 18, 2018, each SBI shareholder is entitled to receive \$87,417.17 and 23,907.50 shares of Horizon common stock for each share of SBI common stock which was exchanged for Horizon common stock. The March 25, 2019, closing price of a single share of Horizon common stock on the NASDAQ Global Select Market was \$15.65. To the extent that the merger resulted in the issuance of a fractional share of Horizon common stock to an SBI shareholder, a cash payment equal to the market value equivalent of such fractional share was paid in lieu of issuing a fractional share of Horizon common stock. The Horizon common stock price used to determine the fractional share consideration was the average of the daily closing sales prices of a share of Horizon's common stock, rounded to the nearest cent, during the fifteen (15) consecutive trading days immediately preceding the second business day prior to March 26, 2019, or \$17.02.