



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 of exchange of Peoples 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 transaction was consummated on July 1, 2015. Consequently, the reportable tax year for reporting the tax effect of the share exchange is the tax year that includes July 1, 2015. This is the 2015 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 Peoples, any shareholder of Horizon 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 ▶ [Handwritten Signature] Date ▶ 7/1/15

Paid Preparer Use Only	Print your name ▶ Mark E. Secor	Title ▶ Chief Financial Officer	
	Print/Type preparer's name Randal J. Kaltenmark	Preparer's signature <u>[Handwritten Signature]</u>	Date <u>7-1-15</u>
	Firm's name ▶ Barnes & Thornburg LLP	Firm's EIN ▶ 35-0900596	Check <input checked="" type="checkbox"/> If self-employed PTIN p01473312
	Firm's address ▶ 11 S. Meridian St., Indianapolis, IN 46204	Phone no. (317) 236-1313	

HORIZON BANCORP

35-1562417

ATTACHMENT TO FORM 8937

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

FORM 8937: PART I, BOX 9:

Horizon Bancorp (“Horizon”) common stock issued in exchange for Peoples Bancorp (“Peoples”) common stock.

FORM 8937: PART II, BOX 14:

The reportable organizational action involves the merger of Peoples with and into Horizon on July 1, 2015.

FORM 8937: PART II, BOX 15:

Each Peoples 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 Peoples common stock surrendered in the exchange for Horizon common stock having a common tax basis:

- Begin with the aggregate tax basis of the Peoples 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 Peoples 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:

As a result of the merger, (i) each share of Peoples common stock owned by a shareholder owning 100 or more shares of Peoples common stock was exchanged for \$9.75 in cash and 0.95 shares of Horizon common stock. To the extent such exchange would have resulted in the issuance of a fractional share of Horizon common stock to a Peoples 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 June 29, 2015, or \$25.15.

