



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment

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18 Can any resulting loss be recognized? ▶ See attachment

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

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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.

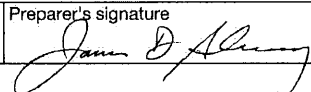
Sign Here

Signature ▶ 

Date ▶ 8/09/18

Print your name ▶ Brady T. Burt

Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	James D. Slivanya		8/6/2018		P00638817
	Firm's name ▶ Crowe LLP			Firm's EIN ▶	35-0921680
	Firm's address ▶ 488 Madison Avenue - Floor 3, New York, NY 10022			Phone no.	(212) 572-5500

**Park National Corporation**  
**31-1179518**  
**Attachment to Form 8937**

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

**CONSULT YOUR TAX ADVISOR**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects on the tax basis of Park National Corporation ("PRK") stock received in exchange for NewDominion Bank ("NewDominion") stock as a result of the merger of NewDominion with and into Park National Bank ("PNB"), a wholly-owned subsidiary of PRK, on July 1, 2018 (the "Merger"). The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. PRK does not provide tax advice to its shareholders. You are urged to consult your own tax advisor regarding the particular consequences of the Merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

**Form 8937 Part I, Box 9**

The securities subject to reporting include all shares of Park National Corporation ("PRK") common stock issued in exchange for the outstanding common stock of NewDominion Bank ("NewDominion") as a result of the merger of NewDominion with and into Park National Bank ("PNB"), a wholly-owned subsidiary of PRK, on July 1, 2018 (the "Merger"). Shareholders of NewDominion received cash, shares of PRK common stock or a combination thereof in exchange for their shares of NewDominion common stock in the Merger.

**Form 8937 Part II, Box 14**

The reportable organizational action, effective July 1, 2018, is the merger of NewDominion with and into PNB, a wholly-owned subsidiary of PRK, with PNB continuing as the surviving corporation.

The total consideration paid by PRK to NewDominion shareholders for the Merger is as follows: (i) 435,457 shares of PRK common stock and (ii) \$30,683,105 in cash.

As a result of the Merger, each share of NewDominion common stock issued and outstanding was converted into either: (i) 0.01023 shares of PRK common stock; or (ii) \$1.08 in cash. The consideration was subject to proration so that it consists of approximately 60 percent PRK common stock and 40 percent cash.

To the extent that the exchange would have resulted in the issuance of a fractional share of PRK common stock to a NewDominion shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of PRK common stock.

**Form 8937 Part II, Box 15**

The merger of NewDominion with and into PNB, a wholly-owned subsidiary of PRK, is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. As a result, each NewDominion shareholder will recognize a taxable gain, but not a loss, equal to the lesser of:

- The amount of cash received in the exchange; or
- The amount, if any, by which the sum of the cash received plus the fair market value of the shares of PRK common stock received in the exchange (measured at the time of the exchange) exceeds the NewDominion shareholder's tax basis in the NewDominion shares surrendered in the exchange.

For purposes of calculating the taxable gain, the amount of cash received in the exchange does not include cash received in lieu of fractional shares of PRK common stock (see discussion of cash received in lieu of fractional shares below).

Gain or loss must be calculated separately for each identifiable block of NewDominion common shares surrendered in the exchange having a common tax basis. A loss realized on one block of NewDominion common shares may not be used to offset a gain realized on another block of NewDominion common shares.

Each NewDominion shareholder is required to determine the tax basis of the shares of PRK common stock received in the exchange by performing the following calculations separately for each identifiable block of NewDominion common shares surrendered in the exchange having a common tax basis:

- Begin with the aggregate tax basis of the NewDominion common shares surrendered in the exchange
- Add the amount of taxable gain, if any, determined from the above calculation (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)
- Subtract the tax basis in any fractional shares of PRK common stock that were deemed to have been received in the exchange and immediately sold (see the treatment of fractional shares described below)

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

NewDominion shareholders who receive cash in lieu of a fractional share of PRK common stock are, for purposes of determining the taxability of that cash, deemed to have received a fractional share in the exchange and then as having sold the fractional share for cash. These NewDominion shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the NewDominion common shares deemed to have been exchanged for the fractional shares and the amount of cash received.

**Form 8937 Part II, Box 16**

Refer to the description of the basis calculation in Part II, Box 15 above. The merger of NewDominion with and into PNB was completed on July 1, 2018. However, the June 29, 2018 closing price of a single share of PRK common stock on the New York Stock Exchange of \$111.42 was used as fair market value as the transaction closed on a Sunday.

**Form 8937 Part II, Box 17**

The merger of NewDominion with and into PNB, a wholly-owned subsidiary of PRK, is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Code sections include 356, 358, and 1001.

**Form 8937 Part II, Box 18**

No loss can be recognized upon the exchange of NewDominion common stock for PRK common stock and/or cash. If a taxable loss is calculated on the deemed sale of a fractional share of PRK common stock deemed to have been received in the exchange, this loss can be recognized.

**Form 8937 Part II, Box 19**

The merger of NewDominion with and into PNB was completed on July 1, 2018. Consequently, the reportable tax year of the NewDominion shareholders for reporting the tax effect of the share exchange and/or cash receipt is the tax year that includes the July 1, 2018 date. This is the 2018 calendar year for those shareholders who report taxable income on the basis of a calendar year.