

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name HORIZON BANCORP		2 Issuer's employer identification number (EIN) 35-1562417	
3 Name of contact for additional information DONA LUCKER	4 Telephone No. of contact (219) 874-8272	5 Email address of contact DLUCKER@HORIZONBANK.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 515 FRANKLIN SQUARE		7 City, town, or post office, state, and Zip code of contact MICHIGAN CITY, IN 46360	
8 Date of action 11/14/2016		9 Classification and description COMMON STOCK - STOCK SPLIT	
10 CUSIP number 440407104	11 Serial number(s)	12 Ticker symbol HBNC	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 NOVEMBER 14, 2016, THE SHAREHOLDERS OF HORIZON BANCORP RECEIVED AN ADDITIONAL HALF SHARE OF COMMON STOCK HELD. THE THREE-FOR-TWO STOCK SPLIT ON OUTSTANDING COMMON SHARES WAS DISTRIBUTED TO SHAREHOLDERS OF RECORD AS OF THE CLOSE OF BUSINESS ON OCTOBER 31, 2016.

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 IS A NONTAXABLE TRANSACTION UNDER IRC SEC. 305(a) AND THE SHAREHOLDER'S BASIS IS ALLOCATED IN ACCORDANCE WITH IRC SEC. 307(a). WHEN THE SHAREHOLDER RECEIVED ADDITIONAL STOCK THROUGH THE STOCK SPLIT, THE BASIS OF THE NEW STOCK AND THE ORIGINAL STOCK WAS DETERMINED BY ALLOCATING THE BASIS BETWEEN THE NEW STOCK AND THE ORIGINAL STOCK. THE TOTAL BASIS IN THE ORIGINAL STOCK IS THE SAME AS THE TOTAL BASIS OF THE NEW AND THE ORIGINAL STOCK. HOWEVER THE BASIS PER SHARE IN THE ORIGINAL AND THE NEW STOCK IS 2/3 OF THE BASIS OF THE ORIGINAL STOCK (BEFORE THE STOCK SPLIT).

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 ▶ ON NOVEMBER 14, 2016, THE ADJUSTED CLOSING PRICE WAS \$31.67 PER SHARE; ON NOVEMBER 15, 2016 THE ADJUSTED CLOSING PRICE WAS \$21.48 PER SHARE, WHICH IS REFLECTIVE OF THE THREE-FOR-TWO STOCK SPLIT.

AS DESCRIBED IN #15 ABOVE, TO DETERMINE THE BASIS PER SHARE IN THE ORIGINAL AND THE NEW STOCK, THE BASIS IS 2/3 OF THE BASIS OF THE ORIGINAL STOCK (BEFORE THE STOCK SPLIT). SEE EXAMPLE BELOW.

SHAREHOLDER OWNS 1 SHARE WITH A BASIS OF \$100. DUE TO THE STOCK SPLIT, THE SHAREHOLDER NOW OWNS 1.5 SHARES OF STOCK, VALUED AT \$100. THE BASIS PER SHARE IS \$66.67 (2/3 OF \$100).

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 SEC. 305(a) AND 307(a).

18 Can any resulting loss be recognized? ▶ NO GAIN OR LOSS IS RECOGNIZED AS A RESULT OF THE STOCK SPLIT. HOWEVER, SHAREHOLDERS WILL RECOGNIZE GAIN OR LOSS AT DISPOSITION OF STOCK.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS 2016.

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 ▶ *Mark Secor* Date ▶ 3/1/2017

Print your name ▶ MARK SECOR Title ▶ CHIEF FINANCIAL OFFICER

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
JENNIFER M. SANDERS, CPA	<i>Jennifer M. Sanders CPA</i>	3/1/2017		P00365585
Firm's name ▶ BKD, LLP	Firm's EIN ▶ 44-0160260		Phone no. 502-581-0435	
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