



**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 ▶ 9/11/2024

Print your name ▶ Roy Halyama 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
	<u>Corey Pfeifer</u>	<u></u>	<u>9/11/2024</u>		<u>P01319923</u>
	Firm's name ▶ <u>Crowe LLP</u>	Firm's EIN ▶ <u>35-0921680</u>			
	Firm's address ▶ <u>485 Lexington Avenue - Floor 11, New York, NY 10017</u>	Phone no. <u>(212) 572-5500</u>			

**Burke & Herbert Financial Services Corp.**  
**92-0289417**  
**Attachment to Form 9937**

**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 Burke & Herbert Financial Services Corp. ("B&H") stock received in exchange for Summit Financial Group, Inc. ("Summit") stock as a result of the merger of Summit with and into B&H. 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. B&H does not provide tax advice to its shareholders. The tax treatment described below may not apply to all former shareholders of Summit. 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 9937 Part I, Box 9**

The securities subject to reporting include all shares of Burke & Herbert Financial Services Corp. ("B&H") preferred stock and common stock issued in exchange for the outstanding preferred stock and common stock of Summit Financial Group, Inc. ("Summit") as a result of the merger of Summit with and into B&H.

**Form 9937 Part II, Box 14**

On May 3, 2024 ("Effective Date"), pursuant to the Agreement and Plan of Reorganization dated August 24, 2023 (the "Merger Agreement"), by and between B&H and Summit, Summit merged with and into B&H, with B&H being the surviving corporation (the "Merger").

As a result of the Merger, each share of 6.0% Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series 2021 of Summit, par value \$1.00 per share, issued and outstanding immediately prior to the Effective Date was converted into the right to receive a share of a newly created series of preferred stock of B&H. Additionally, each share of Summit common stock, par value \$2.50 per share, issued and outstanding immediately prior to the Effective Date was converted into the right to receive, without interest, 0.5043 shares of B&H common stock, par value \$0.50 per share.

No fractional shares of B&H preferred stock or common stock were issued in connection with the Merger, and Summit shareholders were entitled to receive cash in lieu of such fractional shares (note: no cash was paid in lieu of any fractional shares of preferred stock).

**Form 8937 Part II, Box 15**

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

The receipt by a Summit shareholder of B&H preferred stock or common stock in exchange for Summit preferred stock or common stock in the Merger affects such shareholder's tax basis. Generally, the aggregate tax basis of B&H preferred stock or common stock received by a Summit shareholder in exchange for shares of Summit preferred stock or common stock for the Merger consideration will be equal to the aggregate adjusted tax basis of the shares of Summit common stock surrendered, decreased by the amount of any cash received in the exchange (excluding any cash received in lieu of a fractional share of B&H common stock), and increased by the amount of gain (excluding any gain or loss resulting from the deemed receipt and redemption of fractional shares), if any, recognized by the Summit shareholder on the exchange.

Summit shareholders who received cash in lieu of a fractional share of B&H 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 Summit shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the Summit common shares deemed to have been exchanged for the fractional shares and the amount of cash received.

The holding period of any shares of B&H preferred stock or common stock received by Summit shareholders in the Merger generally will include the holding period of shares of Summit preferred stock or common stock exchanged for such B&H common stock.

**Form 8937 Part II, Box 16**

Refer to the description of the basis calculation in Part II, Box 15 above. The May 2, 2024, closing price of a single share of B&H common stock on NASDAQ of \$51.67 was used as fair market value. The newly created series of B&H preferred stock is not publicly traded, and its value is commensurate with the Summit preferred stock exchanged in the Merger.

**Form 8937 Part II, Box 17**

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Code sections include 354, 356, 358, 368, 1001, 1221 and 1223.

**Form 8937 Part II, Box 18**

No loss can be recognized upon the exchange of Summit preferred stock or common stock for B&H preferred stock or common stock. If a taxable loss is calculated on the deemed sale of a fractional share of B&H common stock deemed to have been received in the exchange, this loss can be recognized.

**Form 8937 Part II, Box 19**

The Merger was completed on May 3, 2024. Consequently, the reportable tax year of the Summit shareholders for reporting the tax effect of the share exchange and cash receipt is the tax year that includes the May 3, 2024, Merger date. This is the 2024 calendar year for those shareholders who report taxable income based on a calendar year.