# Form **8937**

(December 2017) Department of the Treasury Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Pa	art I	Reporting I	ssuer				
1	Issuer's	s name					2 Issuer's employer identification number (EIN)
СНО	DICEON	IE FINANCIAL S	ERVICES, INC.		38-2659066		
			ditional Information	4 Telephor	ne No. of contact		5 Email address of contact
		EENLAND			616-887-2334		agreenland@choiceone.bank
6	Numbe	r and street (or P	O. box if mail is not	delivered to	street address) of contact		7 City, town, or post office, state, and ZIP code of contact
		DIVISION, P.O. E	3OX 186	1. 0			SPARTA, MI 49345
8	Date of	action		9 Class	sification and description		
0141					N STOOM		
-	2025	number	11 Serial number(		N STOCK 12 Ticker symbol		13 Account number(s)
10	COSIF	itumbei	11 Sellal Humber(	5)	12 Hicker Symbol		Account number(s)
	170	386106	N/A		COFS		N/A
Pa	rt II			ch additiona		See bac	k of form for additional questions.
14							nst which shareholders' ownership is measured for
		ction ► SEE AT				g	
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4 =	D				da		
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 adjustme share or as a percentage of old basis ► SEE ATTACHMENT							ne hands of a U.S. taxpayer as an adjustment per
	Share	or as a percenta	ige of old basis > SI	EE ATTACHN	MENT		
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16	Descr	ibe the calculation	on of the change in b	asis and the	data that supports the calc	lculation, s	such as the market values of securities and the
	valuat	ion dates > SEE	ATTACHMENT				
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Part I		Organizational Action (continued)	
17 Lis	st the a	e applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based 🕨 🔃	
SEE AT			
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<b>18</b> Ca	an any	ny resulting loss be recognized? ▶	
SEE AT			
<b>19</b> Pr	ovide	le any other information necessary to implement the adjustment, such as the reportable tax year ▶	
SEE AT		×	
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	Unde	der 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	ief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has	any knowledge.
Sign			2 45
Here	Ciona	nature Collan Date 7-22	-25
	Signa	nature Contract Dates	
	New York Children	ADOM ODEEN AND	
	Print	nt your name ► ADOM GREENLAND  Print/Type preparer's name  Preparer's signature  Date  Date	D : PTIN
<b>Paid</b>		1 AMAINEN TILL THE CHECK	3 II
Prepa	arer	SERVIN ER III. SAMBERS, OF A	nployed P00365585
Use C		Firm's name ► FORVIS MAZARS, LLP V Firm's	EIN ► 44-0160260
		Firm's address ► 101 S. FIFTH STREET, SUITE 3800, LOUISVILLE, KY 40202 Phone	-AND THE PARTY OF
Send Fo	orm 89	8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, U1	84201-0054

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ChoiceOne Financial Services, Inc.
Attachment to Form 8937
EIN: 38-2659066
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Affecting Basis of Securities

#### Part II, Box 14:

Effective March 1, 2025, pursuant to the Agreement and Plan of Merger ("Merger Agreement"), dated as of July 25, 2024, by and between ChoiceOne Financial Services, Inc. ("COFS") and Fentura Financial, Inc. ("FETM"), FETM was merged with and into COFS, with COFS continuing as the surviving corporation in the merger (the "Merger").

As a result of the Merger, each share of FETM common stock outstanding was immediately converted into the right to receive 1.35 shares of COFS common stock, plus cash in lieu of any fractional shares. Following the exchange of each share of FETM common stock owned by the FETM Employee Deferred Compensation and Stock Ownership Plan (the "Fentura Retirement Plan"), COFS redeemed the shares of COFS common stock owned by the FETM Retirement Plan for cash in an amount equal to the number of such shares of COFS common stock multiplied by the Average Purchaser Closing Price as defined in the Merger Agreement.

#### Part II, Box 15:

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

The receipt by a FETM shareholder of COFS common stock in exchange for FETM common stock in the Merger experiences the following:

- The aggregate tax basis in the FETM common shares immediately before the exchange should be allocated proportionately to the 1.35 COFS common shares received in the exchange. The quantitative effect is 1/1.35 = .7407 of the tax basis in each whole FETM share is allocated to each whole COFS share. Generally, the tax basis is allocated to individual COFS shares received on a block-by-block basis. Since a whole number of COFS shares were not issued in exchange for each FETM share, this could result in a single share of COFS stock having a split tax basis and a split holding period.
- FETM shareholders who receive cash in lieu of a fractional share of COFS common stock are, for
  purposes of determining the taxability of that cash, deemed to have received the fractional share
  in the exchange and then as having sold the fractional share for cash. These FETM shareholders
  will generally recognize a taxable gain or loss equal to the difference between the tax basis of the
  common shares deemed to have been exchanged for the fractional share and the amount of cash
  received.

## Part II, Box 16:

Refer to the description of the basis calculation in Part II, Box 15 above. The closing price of a single share of COFS common stock on the NASDAQ stock exchange was \$31.79 on February 28, 2025.

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#### Part II, Box 17:

The Merger was structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In general, the income tax consequences to the shareholders are determined under Internal Revenue Code sections 354, 356, 358, 368.

#### Part II, Box 18:

In general, no loss may be recognized by a FETM shareholder receiving COFS common stock, except any loss on the receipt of cash in lieu of fractional share of COFS stock may be recognized if the amount of cash received is less than the basis in fractional share, as applicable.

## Part II: Box 19:

In general, any adjustment to the tax basis that causes gain or loss recognized by the FETM shareholder as result of the completion of the Merger should be reported for the taxable year which includes March 1, 2025. A calendar year shareholder would report the transaction on a 2025 income tax return. The holding period of COFS common stock received in exchange for shares of FETM common stock will include the holding period of the FETM common stock for which it is exchanged. A holder of FETM common stock who received cash in lieu of fractional share of COFS common stock will generally be treated as having received the fractional share pursuant to the merger and then having sold the fractional share of common stock for cash.

The information in this form does not constitute tax advice and each holder of FETM common stock is urged to consult its tax advisor with respect to the application of United States federal income tax laws to the holder's particular situation.