



**Part II Organizational Action** (continued)

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

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ Please see attachment.

Blank lined area for providing information regarding resulting loss recognition.

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

Blank lined area for providing any other necessary information for the adjustment.

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 ▶ Roger S Denison Date ▶ 7/7/2016  
Print your name ▶ Roger S Denison Title ▶ SEVP and CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

UNIVEST CORPORATION OF PENNSYLVANIA  
EIN: 23-1886144  
Attachment to IRS Form 8937

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**PART I: REPORTING ISSUER**

As further described below, Fox Chase Bancorp, Inc., a Maryland corporation (“Fox Chase”) merged with and into Univest Corporation of Pennsylvania, a Pennsylvania corporation (“Univest”). Shareholders of Fox Chase received cash, shares of Univest common stock or a combination thereof in exchange for their shares of Fox Chase common stock in the Merger (as defined below).

**PART II: ORGANIZATIONAL ACTION**

***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 of the Merger (as defined below) on the tax basis of Univest stock received in the Merger in exchange for Fox Chase stock. 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. Univest does not provide tax advice to its shareholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to shareholders and their tax advisors when establishing their specific tax position. 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. You are also urged to read the Proxy Statement/Prospectus of Univest and Fox Chase on Form 424(B)(3), dated May 9, 2016 (Registration No. 333-209759), noting especially the discussion on pages 89-92 under “**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER.**” You may access the Proxy Statement/Prospectus at [www.sec.gov](http://www.sec.gov).**

**Item 14. Description of Organizational Action:**

Pursuant to the terms of the Agreement and Plan of Merger, dated as of December 8, 2015, (the “Agreement”), by and between Fox Chase and Univest, Fox Chase merged with and into Univest (the “Merger”), subject to the terms and conditions set forth in the Agreement, with Univest surviving. Pursuant to the terms of the Agreement, shareholders of Fox Chase had the right to make an election to receive, with respect to each share of Fox Chase common stock issued and outstanding, (x) 0.9731 shares of Univest common stock, \$5.00 par value per share (the “Stock Consideration,” and Fox Chase shares exchanged therefor, the “Stock Election Shares”), or (y) \$21.00 in cash (the “Cash Consideration,” and Fox Chase shares exchanged therefor, the “Cash

Election Shares”). The Cash Consideration together with the Stock Consideration, including the value of any cash in lieu of fractional shares, is referred to herein as the “Merger Consideration.” For each share of Fox Chase common stock for which an election was not made (the “Non-Election Shares”), the shareholder was entitled to receive a combination of cash and Univest common stock such that the Cash Conversion Number, defined below, was maintained. The total number of shares of Fox Chase common stock entitled to receive the cash consideration was equal to the product of (i) .40 and (ii) the total number of shares of Fox Chase common stock issued and outstanding immediately prior to the effective time of the Merger (the “Cash Conversion Number”). All other shares of Fox Chase common stock were to be converted into the right to receive the Stock Consideration. If the aggregate number of shares of Fox Chase common stock with respect to which a Cash Election was made (the “Cash Election Number”) exceeded the Cash Conversion Number, then all Stock Election Shares and all Non-Election Shares were to be converted into the right to receive the Stock Consideration, and the Cash Election Shares were to be converted into the right to receive a combination of cash and Univest common stock, such that the Cash Conversion Number is maintained. If the Cash Election Number was less than the Cash Conversion Number, then all Cash Election Shares were to be converted into the right to receive the Cash Consideration and the Non-Election Shares and Stock Election Shares were to be converted into the right to receive cash, Univest shares or some combination thereof, in order to maintain the Cash Conversion Number.

In addition, pursuant to the terms of the Agreement, each shareholder of Fox Chase had the right to make an election (a “Mixed Election”) to specify (i) the number of shares of Fox Chase common stock with respect to which such shareholder desired to make a Stock Election, and (ii) the remainder being a number of shares of Fox Chase common stock with respect to which such shareholder desired to make a Cash Election. If a shareholder of Fox Chase made a Mixed Election with respect to different lots of Fox Chase common stock, then the rules discussed herein should be applied separately to each lot.

Holders of Fox Chase restricted stock awards generally were also able to make the elections discussed above. However, the tax treatment of such holders in connection with the Merger differ from those discussed herein. Holders of Fox Chase restricted stock awards should consult their own tax advisors regarding the tax treatment of them of the receipt of consideration in connection with the Merger.

Pursuant to the transactions, the Cash Election Shares elected to receive greater than the Cash Conversion Number. As a result, the Stock Election Shares and the Non-Election Shares were converted into the right to receive only the Stock Consideration and the Cash Election Shares were converted into a right to receive a combination of cash and Univest common stock.

Univest did not issue any fractional shares of Univest common stock in the Merger. Fox Chase shareholders who would otherwise have been entitled to a fractional share of Univest common stock upon the completion of the Merger instead received an amount in cash (rounded to the nearest cent) determined by multiplying the fraction by the closing price of a share of Univest common stock as reported on Nasdaq on June 30, 2016, or \$21.02.

### **Item 15. Description of the Quantitative Effect of the Organizational Action:**

The receipt by a Fox Chase shareholder of Univest common stock, cash or a combination thereof in exchange for Fox Chase common stock in the Merger affects such shareholder's tax basis. Generally, the aggregate tax basis of Univest common stock received by a Fox Chase shareholder that exchanges its shares of Fox Chase common stock for a portion of the Merger Consideration will be equal to the aggregate adjusted tax basis of the shares of Fox Chase common stock surrendered, reduced by the amount in cash received by the Fox Chase shareholder pursuant to the Merger (excluding any cash received in lieu of a fractional share of Univest common stock) and increased by the amount of any gain (excluding any gain or loss resulting from the deemed receipt and redemption of fractional shares), if any, recognized by the Fox Chase shareholder on the exchange. The amount of gain recognized is *the lesser of* (A) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the Univest common stock received pursuant to the Merger over the shareholder's aggregate tax basis in the shares of Fox Chase common stock surrendered) and (B) the amount of cash received pursuant to the Merger (excluding any cash received in lieu of a fractional share of Univest common stock).

The receipt by a Fox Chase shareholder of cash in lieu of fractional shares of Univest common stock will be treated as if the fractional shares had been distributed to the Fox Chase shareholders in connection with the Merger and then had been sold for cash in a taxable transaction. Gain or loss will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the shareholder's aggregate adjusted tax basis of the shares of Fox Chase common stock surrendered that is allocable to the fractional share. The gain or loss generally will be long-term capital gain or loss if the holding period of such shares of Fox Chase common stock is more than one year at the effective time of the Merger. The deductibility of capital losses is subject to limitation. See the Joint Proxy Statement/Prospectus of Univest and Fox Chase on Form 424(B)(3), dated May 9, 2016 (Registration No. 333-209759) for more information.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the Univest common stock and the Fox Chase common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of Univest common stock and Fox Chase common stock. One possible approach is to utilize the Nasdaq market closing price on June 30, 2016 for Univest common stock (\$21.02 per share) and the Nasdaq market closing price on June 30, 2016 for Fox Chase common stock (\$20.34 per share) as an indication of the fair market value. Other approaches to determine fair market value may also be possible. You are not bound by the approach illustrated above and may, in consultation with your tax advisor, use another approach illustrated above and may, in consultation with your tax advisor, use another approach in determining fair market values for Univest common stock and Fox Chase common stock.

**Item 16. Description of the Calculation of the Change in Basis:**

The following are examples of how the tax rules including the basis determination would be applied:

**The numbers provided below are for illustrative purposes only and do not represent any holder's actual tax basis in such holder's shares of Fox Chase common stock or the tax consequences of the transaction. In addition, the following examples assume that the shares of Fox Chase common stock exchanged for the Merger Consideration were acquired in one transaction. To the extent that a Fox Chase shareholder acquired shares of Fox Chase common stock in more than one transaction, the gain recognized and the basis determination must be calculated for each block of shares of Fox Chase common stock exchanged for the Merger Consideration.**

Fox Chase Shareholder Only Receiving Univest Common Stock

Shares of Fox Chase common stock owned: 1,000

Fox Chase shareholder's aggregate adjusted tax basis: \$10,000.00 (assumed to be \$10 per share)

Whole shares of Univest common stock received in the Merger (1,000 shares of Fox Chase common stock multiplied by the ratio of 0.9731 and rounding down the product thereof): 973

Number of fractional shares of Univest common stock for which cash is paid: 0.1

FMV per share of Univest shares received: \$21.02

FMV of the Stock Consideration received (i.e., Univest shares received in exchange for Fox Chase, including fractional shares of Univest common stock deemed received) (\$21.02 per share of Univest multiplied by 973.1 shares of Univest common stock): \$20,454.56

Total Merger Consideration received (\$20,454.56 in FMV of Stock Consideration): \$20,454.56

Realized gain (\$20,454.56 total Merger Consideration received minus \$10,000.00 aggregate tax basis): \$10,454.56

Recognized gain (determined as lesser of realized gain or cash received, not including cash in lieu of fractional shares): \$0

Aggregate tax basis of Univest common stock received (including fractional shares deemed received) (\$10,000.00 aggregate tax basis in Fox Chase shares minus \$0 cash received): \$10,000.00

Tax basis per share of Univest common stock received (including fractional shares deemed received) (\$10,000.00 aggregate basis divided by 973.1): \$10.28 per share

Tax basis in fractional share deemed sold (0.1 shares multiplied by \$10.28 per share): \$1.03

Cash received in deemed sale of fractional share (0.1 shares multiplied by \$21.02): \$2.10

Gain realized on fractional share deemed sold (\$2.10 value minus \$1.03 tax basis): \$1.07

Aggregate tax basis in whole shares of Univest common stock received in the Merger (\$10,000.00 aggregate tax basis minus \$1.03 basis of fractional share): \$9,998.97

#### Fox Chase Shareholder Receiving Cash and Univest Common Stock

Shares of Fox Chase common stock owned: 1,000

Assumed that election results in 60% of Fox Chase shares exchanged for Univest common stock and 40% of Fox Chase shares exchanged for cash.

Fox Chase shareholder's aggregate adjusted tax basis: \$10,000.00 (assumed to be \$10 per share)

Cash Consideration received in exchange for Univest common stock pursuant to the Merger (400 shares of Fox Chase common stock (40% of 1,000 shares, rounded to the nearest share) multiplied by \$21.00 in cash per share): \$8,400.00

Whole shares of Univest common stock received in the Merger (600 shares of Fox Chase common stock (1,000 shares less 400 shares for which Cash Consideration was received) exchanged for Univest common stock multiplied by the ratio of 0.9731 and rounding down the product thereof): 583

Number of fractional shares of Univest common stock for which cash is paid: 0.86

FMV per share of Univest shares received: \$21.02

FMV of the Stock Consideration received (i.e. Univest shares received in exchange for Fox Chase shares, including fractional shares of Univest common stock deemed received) (\$21.02 per share of Univest multiplied by 583.86 shares of Univest common stock): \$12,272.74

Total Merger Consideration received (\$8,400.00 in Cash Consideration plus \$12,272.74 in FMV of Stock Consideration): \$20,672.74

Realized gain (\$20,672.74 Total Merger Consideration received minus \$10,000.00 aggregate tax basis): \$10,672.74

Recognized gain (determined as lesser of realized gain or cash received): \$8,400.00

Aggregate tax basis of Univest common stock received (including fractional shares deemed received) (\$10,000.00 aggregate tax basis in Fox Chase shares minus \$8,400.00 cash received (i.e. excluding cash received in lieu of a fractional share of Univest common stock) plus \$8,400.00 recognized gain): \$10,000

Tax basis per share of Univest common stock received (including fractional shares deemed received) (\$10,000 aggregate basis divided by 583.86): \$17.13

Aggregate tax basis in whole shares of Univest common stock received in the Merger (583 x \$17.13): \$9,986.79

Tax basis in fractional share deemed sold (0.86 shares multiplied by \$17.13 per share): \$14.73

Cash received in deemed sale of fractional share (0.86 shares multiplied by \$21.02): \$18.08

Gain/(Loss) realized on fractional share deemed sold (\$18.08 value minus \$14.73 basis): \$3.35

**Items 17 & 18. List of Applicable Internal Revenue Code Sections and Subsections:**

The Merger is intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. In general, the federal income tax consequences to the former Fox Chase shareholders are determined under Section 356, 358 and 1221. Fox Chase shareholders will generally recognize gain (but not loss), pursuant to Section 356 of the Code, in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and fair market value of the Univest common stock received pursuant to the Merger over the Fox Chase shareholder’s adjusted basis in its shares of Fox Chase common stock surrendered, as determined pursuant to Sections 1001 and 1011 of the Code) and (2) the amount of cash received pursuant to the Merger (excluding any cash received in lieu of a fractional share of Univest common stock.).

**Item 19. Other Information:**

The Merger and resulting stock exchange became effective on July 1, 2016. For a Fox Chase shareholder whose taxable year is the calendar year, the reportable tax year is 2016.