National Research Corporation

Name of contact for additional information

Kevin Karas

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1245 Q Street

City, town, or post office, state, and Zip code of contact

Lincoln, NE 68136

Date of action

May 22, 2013

Classification and description

Recapitalization

CUSIP number

637372301

Serial number(s)

Ticker symbol

Account number(s)

NRCI

Organizational Action

Attach additional statements if needed. See back of form for additional questions.

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

Effective May 22, 2013, the plan of recapitalization approved by shareholders on May 9, 2013 was effectuated by the Company. The plan consists of an increase in the number of authorized shares, the creation of a new Class A Common Stock and a new Class B Common Stock, the issuance of a stock dividend of three (3) shares of Class A Common Stock for each share of existing common stock, the reclassification of each share of existing common stock into one-half share of Class B Common Stock, and provides for a cash payment in lieu of a 0.5 fractional share of Class B Common Stock.

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.

For each share of existing common stock held prior to the recapitalization, 3.5 shares of common stock will be held post-recapitalization, consisting of 3.0 shares of Class A Common Stock and 0.5 shares of Class B Common Stock. A shareholder's aggregate tax basis in the shares of Class A Common stock and shares of Class B Common Stock (including any fractional share deemed to be received and immediately redeemed as described below) is equal to the aggregate tax basis of such shareholder's existing common stock. The tax basis of the existing common stock should be allocated between the Class A Common Stock and the Class B Common Stock in proportion to the relative fair market value of the shares of each class of stock.

A shareholder receiving cash ($8.68) in lieu of 0.5 share of Class B Common Stock is treated as having received the 0.5 share of Class B Common Stock and then having such fractional share immediately redeemed for cash. Accordingly, shareholders generally recognize gain or loss equal to the difference between the cash received ($8.68) and the basis allocable to the 0.5 share of Class B Common Stock, provided the deemed redemption is not treated as a dividend.

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.

See Attachment 1.
Part II  Organizational Action (continued)

17  List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based  
302 (Distributions in Redemption of Stock)  
354 (Exchanges of Stock and Securities in certain Reorganizations)  
358 (Basis to Distributées)  
368(a)(1)(E) (Definitions relating to Corporate Reorganizations – Recapitalization)  
1001 (Determination of Amount of and Recognition of Gain or Loss)  
1221 (Capital Asset Defined)  
1223 (Holding Period of Property)

18  Can any resulting loss be recognized?  
   Shareholders receiving cash in lieu of a 0.5 fractional share of Class B Common Stock may recognize gain or loss.

19  Provide any other information necessary to implement the adjustment, such as the reportable tax year  
   The recapitalization was effectuated on May 22, 2013. Accordingly, the reportable tax year for a shareholder is its tax year that includes May 22, 2013 (for example, the 2013 tax year for shareholders on a calendar year tax year).

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.

Signature  Kevin Karas  Date  7/1/13

Print your name  Kevin Karas  Title  CFO

Paid Preparer Use Only
Print/Type preparer’s name  Preparer’s signature  Date  Check if self-employed  PTIN
Firm’s name  Firm’s EIN  Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
Attachment 1

National Research Corporation

EIN 47-0634000

Recapitalization effective May 22, 2013

Form 8937, Line 16

The following examples illustrate a method by which an individual shareholder can determine his or her basis in the Class A and Class B Common Stock received in the recapitalization. The examples assume that the shareholder is an individual U.S. citizen or resident who acquired his or her shares of Company stock at the same price ($50 per share) in one block for cash and holds such shares as a capital asset. The examples do not address any other types of shareholder, any special rules that may apply to a particular shareholder, nor any other tax consequences.

The information contained herein provides a limited summary regarding the application of certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury regulations thereunder (the “Regulations”) relating to the allocation of tax basis among the Class A and Class B Common 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 a particular shareholder. The Company does not provide tax advice to its shareholders.

The Company urges shareholders to read the proxy statement filed with the Securities and Exchange Commission dated as of April 10, 2013 (the “Proxy”), noting the discussion on pages 48-49 under the heading “Certain U.S. Federal Income Tax Considerations”. Shareholders may access the Proxy at http://www.nationalresearch.com/investor-relations/ or directly at http://www.rdgir.com/national-research-corporation/document/def-14a-other-definitive-proxy-statements-0

The examples below are provided solely for illustrative purposes and as a convenience to shareholders and their tax advisors. They are not binding on the Internal Revenue Service.

The tax basis of the existing common stock should be allocated between the Class A Common Stock and the Class B Common Stock in proportion to the relative fair market value of the shares of each class of stock. 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 to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how a taxpayer should determine the fair market value of the Class A and Class B Common Stock for purposes of allocating tax basis.

There are several possible methods for determining the fair market values of the Company common stock. The examples below use the average or mean of the high and low trading prices on May 23, 2013, the first day of trading of the Class A Common Stock and Class B Common Stock following the effective date of the recapitalization. Shareholders should consult their tax advisor to determine what measure of fair market value is appropriate.
HYPOTHETICAL EXAMPLES OF BASIS ALLOCATIONS

<table>
<thead>
<tr>
<th>Class</th>
<th>Trading as reported by NASDAQ (<a href="http://www.nasdaq.com">www.nasdaq.com</a>)</th>
<th>New Shares per Existing Share</th>
<th>Fair Market Value</th>
<th>Relative Fair Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$20.0000 $18.1000 $19.0500</td>
<td>3.0</td>
<td>$57.1500</td>
<td>84.71844%</td>
</tr>
<tr>
<td>B</td>
<td>$23.0000 $18.2350 $20.6175</td>
<td>0.5</td>
<td>$10.3088</td>
<td>15.28156%</td>
</tr>
</tbody>
</table>

Total $67.4588 100.00000%

EXAMPLE #1 - no fractional share

Shares of existing common stock 100
Basis of existing common stock (100 x $50) $5,000.00

Basis of new
300 Class A shares $4,235.92 (84.71844% x $5,000.00 )
50 Class B shares $764.08 (15.28156% x $5,000.00 )
$5,000.00

EXAMPLE #2 - fractional share

Shares of existing common stock 125
Basis of existing common stock (125 x $50) $6,250.00

Basis of new
375 Class A shares $5,294.90 (84.71844% x $6,250.00 )
62.5 Class B shares $955.10 (15.28156% x $6,250.00 )
$6,250.00

Gain/loss on fractional Class B share
Cash received in lieu of fractional share $8.68
Basis of 0.5 Class B share $7.64
Gain on deemed redemption $1.04

Remaining tax basis
375 Class A shares $5,294.90
62 Class B shares $947.46
$6,242.36
Please note that some brokerage firms may not use the information provided in this document, and the information is provided only as an example of one possible method. There are various ways brokerage firms may calculate tax basis. Shareholders should contact their brokerage firms to determine which calculation they may have used, and contact their tax advisor for additional information and clarification.

SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THEIR PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE RECAPITALIZATION. THESE EXAMPLES ARE NOT INTENDED TO BE, NOR SHOULD THEY BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR SHAREHOLDER, AND THEY ARE NOT INTENDED TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (A) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OR (B) PROMOTING, MARKETING OR RECOMMENDING ANY TRANSACTION OR MATTER ADDRESSED HEREIN.