

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|--|--|-----------------------------|
| 1 Issuer's name National Research Corporation | | 2 Issuer's employer identification number (EIN) 47-0634000 | |
| 3 Name of contact for additional information Kevin Karas | 4 Telephone No. of contact 402-475-2525 | 5 Email address of contact kkaras@nrchealth.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1245 Q Street | | 7 City, town, or post office, state, and ZIP code of contact Lincoln, NE 68508 | |
| 8 Date of action 1-15-2019, 4-15-2019, 7-15-2019, 10-15-19 | | 9 Classification and description Cash distribution treated as a return of capital | |
| 10 CUSIP number 637372202 | 11 Serial number(s) | 12 Ticker symbol NRC | 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 ▶ **Special dividend and quarterly cash dividend totalling \$.69 per share paid on January 15, 2019 to NRC shareholders of record as of December 31, 2018,**

Quarterly cash dividend of \$.19 per share paid on April 15, 2019 to NRC shareholders of record as of March 29, 2019

Quarterly cash dividend of \$.19 per share paid on July 15, 2019 to NRC shareholders of record as of June 28, 2019

Quarterly cash dividend of \$.19 per share paid on October 15, 2019 to NRC shareholders of record as of September 30, 2019

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 ▶ **See Attached**

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 ▶

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Sections 301 and 316

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable 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.

Sign Here Signature ▶ Kevin Karas Date ▶ 1-23-20

Print your name ▶ Kevin Karas 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 |
| | Firm's name ▶ | Firm's EIN ▶ | | | |
| | Firm's address ▶ | Phone no. | | | |

National Research Corporation
Form 8937 Attachment
January 23, 2020

A calculation of accumulated earnings and profit completed on January 23, 2020 determined that National Research Corporation total cash distributions in 2019 exceeded current and accumulated earnings and profit. As a result, the percentage of 2019 quarterly dividend payments to be classified as ordinary income and return of capital are as follows:

| Dividend Payment Dates | Ordinary Income Percentage | Return of Capital Percentage |
|-------------------------------|-----------------------------------|-------------------------------------|
| 1/15/2019 | 70.225388% | 29.774612% |
| 4/15/2019 | 67.899803% | 32.100197% |
| 7/15/2019 | 67.899803% | 32.100197% |
| 10/15/2019 | 67.899803% | 32.100197% |

These percentages were used in determining the amounts reported in your 2019 Form 1099-DIV. These percentages could change subject to any subsequent adjustments to 2019 taxable income, in which case an amended 2019 Form 1099-DIV will be issued.