

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The merger of Sovereign into Veritex on August 1, 2017 qualifies as a reorganization within the meaning of Section 368 (a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences to the former Sovereign shareholders are determined under the Internal Revenue Code sections 368 (a)(1)(A), 354, 356, 358 and 1221.

18 Can any resulting loss be recognized? ▶ Sovereign shareholders generally will not recognize loss for U.S. federal income tax purposes by reason of the merger, except with respect to cash received in lieu of fractional share of Veritex common stock. If a Sovereign shareholder receives cash in lieu of a fractional share of Veritex comon stock, the Sovereign shareholder will be treated as having received a fractional share of Veritex common stock for cash in a redemption by Veritex. As a result, the Sovereign shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the Sovereign shareholder's basis in the fractional share of Veritex common stock as set forth on line 16 above. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date, the Sovereign shareholder's holding period with respect to the fractional share (including the holding period of the Sovereign common stock surrendered therefore) exceeds one year. Special rules apply to Sovereign shareholders who received their Sovereign common shares through the exercise of an employee stock option, through a tax qualified reitirement plan or otherwise as compensation, and such Sovereign shareholders are instructed to consult their own tax advisors.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The merger became effective on August 1, 2017; therefore, thereportable tax year is 2017.

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 ▶ _____

Print your name ▶ Sean Reinig Title ▶ Director of Accounting

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.			