

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
First Northern Community Bancorp		68-0450397	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Ms. Devon Camara-Soucy	(707) 678-3041	devon@thatsmybank.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
PO Box 547		Dixon CA 95620-0547	
<b>8</b> Date of action		<b>9</b> Classification and description	
03/25/2024		Stock Dividend	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
335925103		FNRN	

## 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 ▶

On January 25, 2024 a stock dividend at the rate of 5 shares for every 100 shares owned with cash at \$8.64 to be distributed in lieu of fractional shares. The record date is the close of business on February 29, 2024 and the payment date is March 25, 2024.

Some shareholders will receive cash for fractional shares, which is treated as a redemption for U.S. federal income tax purposes.

**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 ▶

The shares received in the 'stock dividend' are a share split. It is a nontaxable event to the shareholder pursuant to Internal Revenue Code Section 305(a), which states that distributions of a corporation's own stock made with respect to its stock are not taxable to a shareholder. However, pursuant to Internal Revenue Code Section 307(a), the shareholder must compute basis for the split shares received by allocating the basis for the old stock between the old and new stock.

The 5% stock will result in shareholders receiving 0.05 shares for each share they own on the record date, with cash to be paid in lieu of fractional shares.

**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 ▶ The Board determined the valuation of the shares for the purposes of cash in lieu of fractional shares to be \$8.64.

First Northern Community Bancorp shareholders received 5 additional shares for each 100 shares they owned. Each shareholder's existing tax basis in their shares must now be spread over the post dividend shares that they own (the old shares plus the new shares received in the 5% stock dividend), including the fractional shares. Shareholders who received cash in lieu of fractional shares will be treated as having received the fractional shares in the stock dividend and then as having exchanged the fractional shares for cash. These holders will generally recognize gain or loss equal to the difference between the tax basis allocable to the fractional shares and the amount of cash received.

[100/(100+5)] = 95.2380

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
**Section 305(a); Section 307(a) and Section 1001.**

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**18** Can any resulting loss be recognized? ▶ \_\_\_\_\_  
**Gain or loss will be realized by comparing proceeds received (cash in lieu of fractional shares) with the basis allocated to the fractional shares.**

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
**This action is a 2024 tax event.**

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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 ▶ 3-25-24

Print your name ▶ **Kevin Spink** Title ▶ **EVP/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.