



**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.

18 Can any resulting loss be recognized? ▶

PLEASE SEE ATTACHMENT.

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

PLEASE SEE ATTACHMENT.

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 ▶ Anthony K. Kosinski Date ▶ 5/9/18

Print your name ▶ Anthony K. Kosinski Title ▶ Vice President - Tax

<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.			

**ATTACHMENT - FORM 8937**  
**"REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES"**

Line	Description	Response
<b>Part II, Item 14</b>	Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.	<p>Dover Corporation ("<b>Dover</b>") distributed 77,339,828 shares of common stock of Apergy Corporation ("<b>Apergy</b>") on May 9, 2018 to holders of record of Dover common stock (the "<b>Distribution</b>"). The date of record was 5:00 p.m. New York time on April 30, 2018. In the Distribution, holders of Dover common stock received one (1) share of Apergy common stock for every two (2) shares of Dover common stock held. Fractional shares that Dover stockholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of these sales will be distributed pro rata (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares. As a result of the Distribution, Apergy became an independent, publicly-traded company.</p>
<b>Part II, Item 15</b>	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.	<p>Pursuant to section 358 of the Internal Revenue Code of 1986, as amended (the "<b>Code</b>"), each stockholder of Dover will need to allocate his/her tax basis in Dover shares immediately before the Distribution between shares of Dover common stock and the shares of Apergy common stock (including any fractional share interest in Apergy common stock for which cash is received) received in the Distribution.</p>

<b>Part II, Item 16</b>	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.	<p>For U.S. federal income tax purposes, the allocation of tax basis between shares of Dover common stock and Apergy common stock is based on the fair market value (FMV) at the time of the Distribution. There are many potential ways to determine the FMV of Dover common stock and Apergy common stock at the time of the Distribution. One potential approach is based on the midpoint of the highest and lowest quoted selling prices on the New York Stock Exchange (“NYSE”) per share of Dover common stock and share of Apergy common stock (US \$76.56 and US \$39.81, respectively) on May 9, 2018, which was the first day shares of Dover common stock and shares of Apergy common stock traded regularly on the NYSE following the Distribution. Based on this approach, the tax basis in the Dover shares immediately prior to the Distribution would be allocated 79.36% to Dover shares and 20.64% to Apergy shares immediately following the Distribution, calculated as follows:</p> <table border="1" data-bbox="649 756 1412 1008"> <thead> <tr> <th></th> <th><u>Midpoint Price</u></th> <th><u>Exchange Ratio (ER)</u></th> <th><u>Divided by ER</u></th> <th><u>Allocation Ratio</u></th> </tr> </thead> <tbody> <tr> <td>Dover</td> <td>\$76.56</td> <td>1</td> <td>\$76.56</td> <td>79.36%</td> </tr> <tr> <td>Apergy</td> <td>\$39.81</td> <td>2</td> <td><u>\$19.91</u></td> <td><u>20.64%</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$96.47</td> <td>100.00%</td> </tr> </tbody> </table> <p>Please note that some brokerage houses might not use the information provided in this document, and the information is only provided as an example of one potential approach. There are various ways in which brokerage houses may calculate the tax basis, including but not limited to May 10, 2018 opening or closing prices. Please contact your individual brokerage house to determine which calculation they may have used and contact your own tax advisor for additional information and clarification.</p>		<u>Midpoint Price</u>	<u>Exchange Ratio (ER)</u>	<u>Divided by ER</u>	<u>Allocation Ratio</u>	Dover	\$76.56	1	\$76.56	79.36%	Apergy	\$39.81	2	<u>\$19.91</u>	<u>20.64%</u>				\$96.47	100.00%
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<b>Part II, Item 17</b>	List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.	<p>For U.S. federal income tax purposes, the Distribution is a tax-free reorganization under sections 368(a)(1)(D) of the Code and a tax-free distribution to Dover's stockholders under section 355 of the Code. Pursuant to section 355(a) of the Code, no gain or loss will be recognized by Dover stockholders as a result of the Distribution. A Dover stockholder's aggregate tax basis in Dover shares immediately prior to the Distribution is allocated between Dover shares and Apergy shares received in the Distribution under section 358(b)(2) and (c) of the Code. Under section 1223(1) of the Code, the holding period of a Dover stockholder in Apergy shares received (including any fractional shares deemed received) in the Distribution will include the holding period of the pre-Distribution Dover shares with respect to which the Distribution was made, provided that such Dover shares are held as a capital asset on the date of the Distribution.</p> <p>Under sections 1001 and 1221 of the Code, in general, the receipt by Dover stockholders of cash in lieu of a fractional share of Apergy will be treated as if the fractional share had been distributed to the Dover stockholder in the Distribution and then had been disposed of by such stockholder (in a sale or exchange) for the amount of such cash and the corresponding gain, if any, would be subject to tax.</p>
<b>Part II, Item 18</b>	Can any resulting loss be recognized?	<p>The treatment of cash received in lieu of fractional shares (as described in Part II, Item 17 above) by a Dover stockholder could result in a loss that generally may be recognized. Other than with respect to treatment of fractional shares, stockholders of Dover common stock will not recognize gain or loss upon their receipt of Apergy common stock in the Distribution.</p>
<b>Part II, Item 19</b>	Provide any other information necessary to implement the adjustment, such as the reportable tax year.	<p>The Distribution occurred in calendar year 2018.</p>