

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Chemical Financial Corporation		2 Issuer's employer identification number (EIN) 38-2022454	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 235 East Main Street		7 City, town, or post office, state, and Zip code of contact Midland, MI 48640	
8 Date of action May 31, 2015		9 Classification and description Common Stock	
10 CUSIP number 163731102	11 Serial number(s)	12 Ticker symbol CHFC	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 ▶ **The organizational action occurred on May 31, 2015. As of that date, Lake Michigan Financial Corporation ("LMFC") was merged with and into Chemical Financial Corporation ("Chemical"), with Chemical continuing on as the surviving corporation, pursuant to the agreement and plan of merger dated January 5, 2015. Each former LMFC shareholder was entitled to receive 1.326 shares of Chemical common stock, \$16.64 in cash and cash in lieu of fractional shares for each share of LMFC common stock. Under certain circumstances, shares of Chemical common stock were withheld to cover tax withholding obligations of LMFC shareholders. As a result of the acquisition, Chemical delivered 4,322,101 shares of Chemical common stock to former LMFC shareholders.**

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 the attached statement.**

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 ▶ **See the attached statement. As discussed above, the fair market value of the Chemical common stock as of the effective date of the merger on May 31, 2015 was \$30.29 per share.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ As mentioned in the attachment to Boxes 15 and 16, the merger of LMFC with and into Chemical ("The Merger") qualifies as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986. Tax consequences to individual shareholders are determined under Code Sections 354, 356, 358, and 1001.

18 Can any resulting loss be recognized? ▶ LMFC shareholders generally cannot recognize loss upon the exchange of LMFC common stock for Chemical common stock, except with respect to cash received in lieu of fractional shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Any adjustment to the tax basis of securities resulting from the merger is reportable in the tax year which includes May 31, 2015.

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 ▶ *Lori A. Gwizdala* Date ▶ 7/14/15

Print your name ▶ Lori A. Gwizdala Title ▶ EVP & 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.

Chemical Financial Corp and Subs
FEIN: 38-2022454
Statement Attached to Form 8937,
Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part II, Boxes 15 and 16:

The merger of LMFC with and into Chemical (the “Merger”) was intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. The tax basis of Chemical securities received by LMFC shareholders pursuant to the Merger, subject to limitations and assumptions, is determined to be as follows:

- The shareholder’s aggregate tax basis in Chemical common stock received will be the same as the aggregate tax basis of the LMFC common stock for which it is exchanged, reduced by the amount of cash received (excluding any cash received in lieu of fractional share interests in Chemical common stock), and increased by any taxable gain recognized on the exchange (excluding any taxable gain related to fractional share interests).
- The holding period of Chemical common stock received will include the holding period of LMFC common stock for which it is exchanged.

Taxable gain or loss should be determined separately with respect to each identifiable block of LMFC common stock having the same tax basis which was exchanged in the Merger. In general, gain recognized in connection with the exchange will be capital in nature and constitute long-term capital gain if such shareholders are treated as having held their LMFC common stock for more than one year as of the date of Merger.

The above information and the information included on Form 8937 does not constitute tax advice. Shareholders are strongly encouraged to consult their tax advisors as to the specific tax consequences resulting from the Merger. Further tax implications can be found in the prospectus and proxy statement dated March 25, 2015, as filed with the United States Securities and Exchange Commission on March 25, 2015, under the section titled “Material United States Federal Income Tax Consequences.”