

**Report of Organizational Actions
Affecting Basis of Securities**

Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|---|--|-----------------------------|
| 1 Issuer's name PARKWAY, INC. | | 2 Issuer's employer identification number (EIN) 61-1796261 | |
| 3 Name of contact for additional information SCOTT E. FRANCIS | 4 Telephone No. of contact 346-200-3100 | 5 Email address of contact SFRANCIS@PKY.COM | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 5847 SAN FELIPE STREET, SUITE 2200 | | 7 City, town, or post office, state, and Zip code of contact HOUSTON, TX 77057 | |
| 8 Date of action SEE PART II, LINE 15 BELOW | | 9 Classification and description COMMON STOCK, NONTAXABLE CASH DISTRIBUTION | |
| 10 CUSIP number 70156Q | 11 Serial number(s) | 12 Ticker symbol PKY | 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 ▶ PARKWAY, INC. PAID CASH DISTRIBUTIONS TO COMMON SHAREHOLDERS IN 2017. SEE PART II, LINE 15 FOR THE AMOUNTS OF THESE DISTRIBUTIONS PER SHARE.

THE DISTRIBUTIONS WERE PAID ON 03/30/2017, 06/30/2017 AND 10/10/2017.

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 ▶ DISTRIBUTION REDUCES THE BASIS OF THE SECURITY IN THE HANDS OF A U.S. TAXPAYER AS FOLLOWS:

| RECORD DATE | PAYMENT DATE | PER SHARE REDUCTION OF BASIS |
|-------------|--------------|------------------------------|
| 03/16/2017 | 03/30/2017 | \$ 0.07 |
| 06/16/2017 | 06/30/2017 | \$ 0.10 |
| 10/09/2017 | 10/10/2017 | \$ 4.00 |

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 ▶ PARKWAY, INC. DOES NOT HAVE CURRENT OR ACCUMULATED EARNINGS AND PROFITS, AS CALCULATED UNDER IRC SECTION 312, AS MODIFIED BY IRC SECTION 857(d) FOR A REAL ESTATE INVESTMENT TRUST, AND THE TREASURY REGULATIONS THEREUNDER. AS SUCH, DISTRIBUTIONS REDUCE THE SHAREHOLDER'S TAX BASIS IN ITS SHARE TO THE EXTENT OF SUCH TAX BASIS.

AS AMENDED

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(c).

18 Can any resulting loss be recognized? ▶ NO.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ ACTION IS EFFECTIVE ON THE DATE OF DISTRIBUTION.

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 ▶ [Handwritten Signature] Date ▶ 1-30-18

Print your name ▶ SCOTT E. FRANCIS Title ▶ EVP & CFO

| | | | | | |
|------------------------|----------------------------|----------------------|------|---|------|
| 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. | | | |