(December 2011)

Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Internal Revenue Service Part I Reporting Issuer 2 Issuer's employer identification number (EIN) 1 Issuer's name John Hancock Preferred Income Fund III 77-0598263 3 Name of contact for additional information Telephone No. of contact 5 Email address of contact John Hancock Investments 800-225-5291 https://www.jhinvestments.com/ContactUs.aspx 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and Zip code of contact Boston, MA 02210 601 Congress Street 8 Date of action 9 Classification and description 7/31/16 Regulated Investment Company (RIC) 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) See Attached See Attached Organizational Action Attach additional statements if needed. See back of form for additional questions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action As summarized on the attached statement, John Hancock Preferred Income Fund III made seven distributions to shareholders that represented in part non-taxable returns of capital. 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 return of capital portion in each distribution reduced the shareholder's tax basis in his or her shares held. 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 tax basis of the shareholder's shares is decreased by the per share amount of each non-taxable return of capital multiplied by the number of shares held by the shareholder at the time of the corresponding distribution.

Part II **Organizational Action** (continued) List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Pursuant to IRC Sec. 301(c)(1), the portion of a distribution which is a dividend (as defined in IRC Sec. 316), is includable in gross income. Pursuant to IRC Sec. 301(c)(2), the portion of distribution which is not a dividend, shall be applied against and reduce the adjusted tax basis of the stock. 18 Can any resulting loss be recognized? No loss is recognized on the return of capital distribution. The reduction in shareholder basis may affect the amount of gain or loss realized on the sale of the shares. Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This organizational action is reportable with respect to the taxable year ended July 31, 2016. 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 ► A signed copy is maintained by the issuer Title ▶ Preparer's signature Print/Type preparer's name Check if Paid self-employed **Preparer** Firm's EIN ▶ Firm's name **Use Only** Phone no. Firm's address ▶

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

John Hancock Preferred Income Fund III 77-0598263 Fiscal Year ended July 31, 2016 Supplemental Attachment to Form 8937

Cusip	Ticker Symbol	Record date	Ex-Dividend Date	Payable Date	Total Distribution Per Share	Non Taxable Return of Capital Per share	Taxable Distribution Per Share
41021P103	HPS	1/14/2016	1/12/2016	1/29/2016	0.1222	0.016510	0.105690
41021P103	HPS	2/11/2016	2/9/2016	2/29/2016	0.1222	0.016510	0.105690
41021P103	HPS	3/11/2016	3/9/2016	3/31/2016	0.1222	0.016510	0.105690
41021P103	HPS	4/11/2016	4/7/2016	4/29/2016	0.1222	0.016510	0.105690
41021P103	HPS	5/12/2016	5/10/2016	5/31/2016	0.1222	0.016510	0.105690
41021P103	HPS	6/13/2016	6/9/2016	6/30/2016	0.1222	0.016510	0.105690
41021P103	HPS	7/11/2016	7/7/2016	7/29/2016	0.1222	0.016510	0.105690