

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name  <b>Peoples LTD</b>		2 Issuer's employer identification number (EIN)  <b>23-2451528</b>	
3 Name of contact for additional information  <b>Philip O. Farr</b>	4 Telephone No. of contact  <b>570-746-1011</b>	5 Email address of contact  <b>pfarr@psbanking.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>PO Box 217</b>		7 City, town, or post office, state, and ZIP code of contact  <b>Wyalusing, PA 18853</b>	
8 Date of action  <b>November 23, 2018</b>		9 Classification and description  <b>Stock - Common</b>	
10 CUSIP number  <b>711215103</b>	11 Serial number(s)	12 Ticker symbol  <b>PPLL</b>	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 ▶ On October 24, 2018, Peoples LTD declared a 5% stock dividend payable on December 14, 2018 for shareholders of record on November 23, 2018. The price per share was \$67.25/share.

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 ▶ For every share a shareholder owns they would receive an additional .05 share, in other words for every 20 shares owned by a shareholder they would receive 1 additional share. For any fractional shares created by this stock dividend cash was paid to the shareholder.

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 share price of \$67.25 was based on recent stock purchases of Peoples LTD. stock prior to the stock dividend. After the stock dividend a shareholder would have 5% more shares but their cost per share would be reduced by 5%.

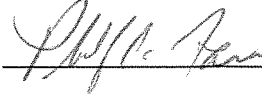
**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
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18 Can any resulting loss be recognized? ▶ \_\_\_\_\_  
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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
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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 ▶ 2/21/2019  
Print your name ▶ Philip O. Farr Title ▶ Chief Financial Officer

<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.			