

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------|
| 1 Issuer's name Peoples LTD | | 2 Issuer's employer identification number (EIN) 23-2451528 | |
| 3 Name of contact for additional information Tammy Schaeffer | 4 Telephone No. of contact 570-746-8735 | 5 Email address of contact tschaeffer@psbanking.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact P O Box 217 | | 7 City, town, or post office, state, and ZIP code of contact Wyalusing, PA 18853 | |
| 8 Date of action November 17, 2017 | | 9 Classification and description Stock - Common | |
| 10 CUSIP number 711215103 | 11 Serial number(s) | 12 Ticker symbol PPLL | 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 25, 2017, Peoples LTD declared a 5% stock dividend payable on December 15, 2017 for shareholders of record on November 17, 2017. The price per share was \$65.00/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 \$65.00 was based on recent stock purchase 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 ▶ _____

18 Can any resulting loss be recognized? ▶ _____

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

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 ▶ Tammy L Schaeffer Date ▶ 2/21/18

Print your name ▶ Tammy L Schaeffer Title ▶ AVP/Accounting Supervisor

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. |